

**Shropshire Hills AONB Partnership.
CAP Consultation questions.**

Direct Payments

1. Regional distribution of direct payments: do you support the principle of moving to more equal rates of payment across the three payment regions?

- Option 1: No change in the current regional distribution
- Option 2: Uplift in upland direct payments (with modest reductions to lowland direct payments)
- Another option

Please comment further if you wish, or explain what other option you favour

We support uplift in direct payments to upland farms, in order to help address the marked difference between average farm incomes between lowland and SDA farms and to support the other vital services delivered by upland farming. This could be as described in Option 2 or could be to increase SDA and moorland, whilst reducing payments to more profitable lowland farms. Moorland offers many ecosystem services and their continued management is vital. Extra support should be offered to ensure this management continues.

2. 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

There are many smaller farms in the Shropshire Hills AONB that contribute to environmental benefits and viable rural communities as well as the economy. Larger farms already have a competitive advantage and public money should be used to support smaller, less profitable farmers to help them grow. We feel CAP should give greater support to Pillar 2 environmental schemes and socio-economic impacts.

3. Do you support our preferred option that we should not implement salary mitigation? Please explain your response.

We propose to reduce the gross amount of the farmer's claim (without allowing for salary mitigation), since this would make the administration of the scheme simpler and more efficient. Although this would increase the impact of reductions on an estimated 340 - 560 farms, we think that the adoption of the lowest possible rate of reduction would justify an administratively straightforward implementation which is in the interests of all claimants.

- We should not adopt salary mitigation
- We should not adopt salary mitigation, but only if the rate of reduction is 5%
- Salary mitigation should be allowed

The administrative burden should be lessened where possible, whilst still ensuring the intervention is achieving real gains.

4. Do you support our preferred option not to implement redistributive payments as an alternative to reductions?

- We should not implement redistributive payments
- We should implement redistributive payments instead of progressive reductions

We agree with the Government proposal not to implement the redistributive payment to minimise the effect on farm competitiveness. This option will allow for transfer of funds from Pillar 1 to the RDP.

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

The so called 'negative list' is one component of a new mandatory Active Farmer test aimed at ensuring payments are directed only at 'genuine farmers'. We are consulting informally with key stakeholders on the other components. The 'negative list' means that five classes of businesses will now be ineligible to claim for CAP Direct Payments and some measures under Rural Development — those who operate Waterworks, Airports, Railway Services, Real Estate Services and Permanent Sport and Recreational Grounds. Such businesses can seek to reinstate their eligibility for payment if they satisfy readmission criteria. We have the option to extend the list to cover similar businesses, for example, including gasworks or utility providers.

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

Whilst we feel that industrial estates, caravan sites, schools etc. should be added to the negative list, nature reserves should remain eligible as this support is essential to maintaining the many environmental and public benefits, and the necessary management of them is usually agricultural in its nature.

6. We must set a limit on the number of entitlements that can be claimed under the Young Farmers Scheme which must be between 25 and 90. What do you think should be the ceiling that can be claimed by an applicant to this scheme?

- A limit of 25 entitlements (the lowest limit possible)
- A limit of 54 entitlements (the average farm size in the UK)
- A limit of 90 entitlements (the highest limit possible)
- Another option

Young Farmers are unlikely to be entering the market on larger units than this unless the business is inherited. We would argue that those inheriting large farms should not be benefiting from extra payments.

7. Our preferred option is not to require those seeking to participate in the Young Farmer Scheme to meet additional eligibility criteria. Do you agree?

Yes.

8. Do you have any other comments you would like to make on the issues addressed in this section on the implementation of Direct Payments?

No.

Greening

9. The Government is not minded to take up the option to implement greening through a National Certification Scheme containing additional, equivalent measures. Do you agree with this approach or do you see a case for a National Certification Scheme and, if so, on what grounds?

Not sure. Greening needs to make an environmental contribution and it is unclear from the consultation document what difference the NCS might make.

10. Do you agree that this approach to the implementation of greening in England strikes the right balance between environmental benefit and administrative cost, in the context of our approach to the CAP Reform package as a whole?

Yes, although no conversion or ploughing should include permanent grasslands near to a Natura 2000 site, as well as within it. EFA's should encourage farmers to take up the measures that have greatest impact.

11. Making available the full list of Ecological Focus Areas (EFA) options would mean that much of the EFA requirement could be met without additional action and that various options may have differing environmental benefits. Which selection of EFA options do you favour?

EFAs should deliver environmental benefits. For example, where appropriate they should be linked to priority habitats, helping deliver the landscape targets identified through the ELMs. Buffer strips should be defined according to functional ecological needs. 2m may be sufficient in some situations but will not be for many others. The EFAs will need effective monitoring to ensure they are delivering real environmental benefits.

12. 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?

Sowing pollinator friendly field margins would be one way to do this. We think a National Certificate Scheme would add an extra, unnecessary layer of bureaucracy.

Cross Compliance

13. Cross compliance standards of Good Agricultural and Environmental Condition (GAEC) under the new CAP aim to protect soils, water and maintain the landscape.

Are there any current GAECs that you think should not be carried forward and included from 2015? If so, what are your reasons and evidence for this?

No.

14. Are there elements within any GAEC that you think should or could be changed, implemented better, or excluded? If so why?

In terms of delivering environmental impacts the current GAEC are generally good but are not always adequately enforced or monitored. In fact, some officers seem to have different emphasis. Contradictions between NE/ EA and RPA can be an issue, for example, advice to widen buffer strips to meet WFD and Habitats Directive can result in reduced payments from the RPA as permanently ineligible features.

RDPE - Current Programme

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

HLS and ELS have not delivered as promised and there appears to be little joined up thinking in terms of habitat/ species targeting. Farmers can receive considerable funding and still not protect fundamental environmental assets. The new landscape scale approach to ELMs could help address this, if effectively monitored.

For the current programme each RDA worked on their 'local' rules to meet local decision making, this resulted in duplication of work across RDAs and differing funding rules. For the next programme it would be beneficial to develop and implement nationally consistent rules and guidance.

In relation to LEADER

- National standardised guidance at the same time retaining local flexibility on developing the LDS, and types of governance.
- Provide proportionate systems directly in relation to level of grant and associated risk – for the current programme small projects have had the same huge audit requirements as large ones
- Provide national training for new LAGS and updates for experienced LAGs
- Network support to improve and support LAG performance – more face to face workshops and opportunities for peer learning, mentoring support for both staff and LAG members (particularly with the implementation of CLLD, where new opportunities to link rural and urban should be exploited).
- Ensure that the LEADER approach is followed.
- If increased coverage of LEADER is to be achieved 15% transfer from Pillar 1 to Pillar 2 needs take place.
- Recognition that the animation role is a vital part of the LEADER process. The new programme should provide a means of funding administration separately from capacity building. This is crucial if the LEADER approach is to be adopted.

- Evaluation – appropriate Programme level guidance evaluating LDS delivery. Find ways of recording added value, which can be fed into Programme results. Potentially look at a nationally funded evaluation tool for LEADER.
- Harmonised rules for co-operation projects to facilitate easier application and approval and delivery e.g. even within the UK, England groups working with Wales have issues because of operating differences.
- Provide more focus on project outcomes. Growth and development does not stop post programme, look at ways of picking up the long term impact.
- It would be helpful if Managing Authority provided the mechanisms to help measure the impact of LEADER over the long term.
- Measuring added value in complex LEADER projects has been difficult for this current programme. A method of capturing all the LEADER benefits should be adopted nationally.

RDPE – New Programme Priorities

16. Are there any key areas we have missed in our assessment of need to support the new Rural Development Programme?

These generally look good but do not specifically identify the importance of building and supporting sustainable rural communities. This viability of rural economies is intimately connected to rural infrastructure and rural services.

17. Are there any further sources of evidence of social, economic and environmental need in rural areas for England that have not been captured?

No comment.

18. Are the areas we outline for support under the new Rural Development Programme the right ones?

There is a real concern about the lack of priority attached to social inclusion, community support and infrastructure and setting the right conditions to improve economic growth and jobs, especially in very isolated rural communities. Community led natural and cultural heritage projects can be an effective way of building confidence and self-esteem through volunteering and resulting in a more attractive and interesting environment, which can be of benefit to the tourism industry in particular.

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

To achieve maximum benefits landowners and other businesses need good quality, locally trusted advice and an easy application process. There needs to be better publicity of results for the public to encourage a positive reaction to farming and rural development. The investment must address local needs and be targeted effectively. This is time consuming but there is no substitute for one to one advice from a local source and this approach helps ensure those most in need of additional support are identified.

Investment needs to be targeted on sustainable projects. The economic, environmental and community aspects of activity, and their interaction, need to be considered.

RDPE – Delivering the new Programme

20. How might we make the process for applying for Rural Development funding simpler or less bureaucratic?

- National application process.
- One stage application for projects under £10,000.
- Use of plain English that is community focused.
- Allow LEADER to operate a small grants programme with less bureaucracy.

21. How might this be balanced against the need to ensure clear accountability for public funds?

Continue to have the same audit requirements but only check projects over £5,000. Projects under £5,000 will have selected audits.

22. What role could loans or other financial instruments play in delivering the Rural Development Programme?

Not qualified to comment.

RDPE – New Environmental Land Management Scheme

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

We support the landscape scale approach. This will help to address issues at source, such as flooding, through managing catchments accordingly, rather than investing in reactive measures such as flood barriers.

24. 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?

Yes. We should be as flexible as possible providing the approach meets genuine local priorities.

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

Funding for facilitation should be targeted locally. The AONB Partnerships are well placed to deliver this, within nationally important landscapes, as they have the skills, contacts and links to make this effective. Examples exist, such as the Shropshire Hills Farming Project and Land, Life and Livelihoods. We would be very interested in possible delegated roles and responsibilities for the AONB Partnership in helping to deliver this.

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

We would support this approach as it would help link targeted areas and address ad hoc issues.

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

Longer term agreements of at least 10 years would be more effective, reducing administrative costs and taking a longer term approach to habitat management. We are currently seeing some reversal of long term benefits as ESA agreements come to an end, such as ploughing of permanent pastures. Shorter agreements increase the potential for this, meaning money is spent less effectively.

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

Priorities should be delivering statutory obligations such as the Habitats and Water Framework Directives and Biodiversity 2020. It would seem sensible for Defra to work with LNPs as well as protected landscapes and Local Authorities to agree targets locally. There needs to be some flexibility to work with local communities and farming groups who want to take a lead on target delivery, such as the Shropshire Hills Community Wildlife Groups.

29. 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?

Third parties would be a good idea as long as they are local, trusted advisers. Organisations like our own could play a role as third parties. The move to on line will disadvantage those who need most help. The most rurally isolated areas have the slowest Broadband speeds (if Broadband is even available).

30. Where should we set the scheme entry requirements (i.e. above the legal baseline) for the proposed new environmental land management scheme?

No comment.

RDPE – Productivity, Growth and LEADER

31. Have we identified the right areas of support under the new Rural Development Programme to help improve the competitiveness and efficiency of the farming, forestry and other land-based sectors? Are there any other areas which could be supported?

We especially support:

- Innovation and knowledge exchange- especially around environmental performance and reducing inputs
- Help and support for young people entering the industry
- Improved environmental performance and resilience
- Shortening supply chains
- Training and skills development

32. What activities to support the farming, forestry and other land-based sectors under the new Rural Development Programme would provide the best value for money for the UK taxpayer?

Whilst support of land based businesses can have a range of benefits for the tax payer, we think best value would be achieved through:

- Improved environmental performance and resilience
- Opportunities for young people
- Shortening supply chains

33. How should we support advice and skills for the farming, forestry and land-based sectors under the new Rural Development Programme?

As an example of a delivery mechanism tailored to a very rural area, the Shropshire Hills AONB Partnership has been delivering 'Farmers Dens' in partnership with a wide range of providers. These are sessions organised in local village halls, where a number of specialists are invited to hold surgeries on a variety of topics. Farmers can then book to see more than one specialist at a time and this has proven an efficient use of farmer and specialist time.

The protected landscapes are well placed as test beds for ideas and new approaches.

34. How can we ensure any advice provided to the farming, forestry and other land based sectors and through the new environmental land management scheme is integrated and linked with advice provided within the industry in the light of the Review of Advice and Partnership Approaches?

Within our areas, protected landscape organisations can be well placed to deliver skills, training and advice, as they are well connected locally with a wide range of partners in land based industries, other business sectors and communities.

35. How do we ensure innovation is considered across the breadth of the new Rural Development Programme?

Innovation can be encouraged by:

- Ensuring knowledge transfer within and across sectors
- Bringing together groups of people who would not normally meet as focus groups for product and service development e.g. tourism businesses with land managers and walking groups.
- Co-operation with other initiatives within the UK and with other parts of Europe. This will require an effective database or network to identify the opportunities and make sure the cooperation is effective.
- LEADER should be used for small scale risky projects.
- Testing pilot approaches

True innovation often carries a high level of risk. If we are to encourage and develop innovative projects we need to manage risk and accept that some projects may not achieve the outputs described in the application.

36. How could we develop proposals for an England specific European Innovation Partnership to support this?

Not sure. Could LEADER network help with this?

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

There are seven key features which define the LEADER approach. It is the combination and value adding effects of these principles that make LEADER successful and makes for better results for rural areas.

It is important to maintain the multi-sector approach (economic, environment and community) and not limit activity exclusively to the economic sector. In remote rural areas where a high percentage of the population is self-employed, it is the development of many small scale boosts to the economy that make the difference, although this may not directly

lead to new jobs. Examples from the current programme of projects which provide small scale economic outputs are available e.g. The Shropshire Hills School Farmers' Markets Project. This project worked with schools to promote local produce and to allow school children to understand food miles. It also provided a platform for local producers to sell local produce, in doing so supporting the local economy and local self-employment. There are many examples like this where small scale economic benefits are achieved along with community and environmental benefits in a more sustainable way. These are important, especially to the more self-sufficient rural economies and their impact should be recognised.

There is some concern that tying the Local Development Strategy too tightly to the SIF will result in 'top down' delivery of LEADER, quite against the community-led philosophy.

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

By adopting the LEADER approach in its entirety LEADER can offer:

- A proven model for sustainable local development
- A flexible tool to deliver economic, environmental and social benefits
- Opportunities to innovate and try out new ideas with limited risk
- A network of highly experienced and knowledgeable people in business matters, environmental matters and community development.
- Delivery on the Localism agenda via strengthening communities by connecting sectors and taking joint responsibility
- Opportunity to 'hit the ground running' using experience built up over many years

In order to make the LEADER approach more effective, LEADER Coordinators need more time to develop the LAG and to offer project support - programme animation. Most LEADER Coordinators in this programme had to spend too much time on bureaucracy and claims. This means making the application and claims process easier.

Inter Pillar Transfer

39. Without a transfer there would be no new investment in rural development over the next 7 years. Transferring funding to Pillar 2 would allow us to deliver improvements in the natural environment, productivity and longer term competitiveness of UK agriculture and help us to grow the rural economy in England.

Should we transfer funding from Pillar 1 to Pillar 2?



Yes



No

The 15% Pillar 1 transfer to Pillar 2 of around £3bn will enable ELMs to be used to deliver landscape scale schemes, strengthen rural communities and businesses and encourage economic growth. Rural communities are made up of different sectors and to avoid rural depopulation and the demise of rural services, it is important that the community is supported as a whole. Even at 15%, there will still be £15bn in direct payments to farmers through Pillar 1. Pillar 2 funding will help support other rural businesses, which are essential for economic growth, more environmental benefits and more funding for communities through LEADER.

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

- 15%
- less than 15%

If less, what level would you prefer?

If less than 15% which priority would you not want to be funded?

40. 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	85
Farming competitiveness and forestry productivity	5
Growth Programme	5
LEADER	5

Please explain your reasoning:

Agri-environment schemes are vital to delivering AONB objectives and also have knock-on economic benefits. LEADER is a proven mechanism which has potential to do more.

Market Management

41. Do you agree that we should not introduce a requirement for written contracts between producers and processors/distributors at this stage?

Not qualified to comment.

42. Do you agree that we should not make it possible for producer organisations and inter-branch organisations to be formally recognised in additional sectors of agriculture?

Not qualified to comment.

43. Do you have any comments on this approach or any of these assumptions?

N/A