



RTPI

mediation of space · making of place

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CAP Reform and EU Strategy
5D Millbank
C/O 17 Smith Square
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By email to: CAPReform@defra.gsi.gov.uk

Dear Sir/Madam,

CONSULTATION RESPONSE: Consultation on proposals for the 'Health Check' of the EU Common Agricultural Policy (CAP)

Please find attached a response by the Royal Town Planning Institute (RTPI) to the above consultation. The RTPI is a membership organisation representing over 21,000 spatial planners. It exists to advance the science and art of town planning for the benefit of the public.

This response was drafted by the RTPI Rural Planning Network following an internal consultation. Thanks are due to David Alexander MRTPI for his substantial contribution in reviewing the document.

The Health Check provides a welcome opportunity to build on the fundamental reforms of 2003, albeit in a climate of rising food prices and growing concerns for food security, which has created the potential for conflict between farming and the delivery of less financially rewarding environmental benefits.

The 2003 reform of the Common Agricultural Policy (CAP) set the pattern for decoupling farm subsidy payments from production and providing a stronger focus on delivering public environmental benefits. That broad pattern is strongly supported as part of an evolutionary change for the CAP.

The Health Check proposals identify 3 broad elements for reform: direct farm payments; market price support and the need for the CAP to respond to new environmental challenges. Our comments on each of these elements are set out below.

Direct Payments

It is the intention to decouple all remaining commodities from production, following the removal of the principal commodities in 2003.

While the use of 'national envelopes' (under Article 69 of the 2003 legislation) legitimately allows direct payments to be reduced by up to 10% and the money redistributed to specific types of farming that are considered particularly important for environmental or local marketing reasons, these must be specifically targeted and not seen as a direct payment to a particular farming sector. One benefit might be to keep sheep on the hills to prevent scrub and bracken growth, which in turn can obscure access for walkers and ramblers and affect landscape and biodiversity quality to the detriment also of tourist business. The use of 'national envelopes' in this way might be supportive of wider policy directives, including planning policies, at national, regional and local levels.

While simplification of the Single Payment Scheme (SPS) can reduce costs and inefficiency, care must be taken with the minimum holding size so as not to discourage many small scale but often environmentally beneficial 'farms', which can combine farming with wider land management, landscape, biodiversity and access interests.

Cross compliance of CAP payments with a range of environmental, public access, plant and animal health and welfare standards, is fine in principle. However, how well does it work in practice? The Health Check is an ideal opportunity to carry out some fundamental research on the effectiveness of cross compliance, to ensure that it provides real value for money and is visibly seen to do so.

Market Management

The major concern here is the issue of set aside and the Commission's proposals to end the system of compulsory set aside in the arable sector. It is essential that the range of environmental benefits brought about by set aside, for which there is ample evidence (e.g. improvements in farmland bird populations), is retained and if possible further enhanced. The supporting statistics set out on page 35 of the Impact Assessment convey real concern over this issue, with uncropped arable land falling by 39% (166,000ha) between June and December 2007, and rotational set-aside expecting 85 -90% to be brought back into production. It is likely that the larger, rotational areas of land will come back into production first, rather than the more marginal areas and difficult corners.

New Challenges

It is vital that European agriculture focuses increasingly on a growing number of environmental challenges:-

- a) Climate change mitigation.
- b) Meeting bio energy and sustainable water management.
- c) Halting the decline in biodiversity.
- d) Maintaining and enhancing landscape character by building on past research covering agricultural landscapes (Countryside Commission/Countryside Agency).

The current round of Rural Development Programmes (RDPs) which cover the period until 2013, is the principal mechanism for attempting to resolve these challenges, but it would be an enhanced step forward if such RDPs could work closely with relevant national planning policies (e.g. PPS 7 and 9), Regional Spatial Strategies (RSS) and Local Development Frameworks (LDF).

Increased funding through Pillar 2 of the CAP will provide an essential means of achieving the environmental agenda (already compromised through funding restrictions on Natural England and with Higher Level Stewardship now largely by invitation). There is strong support for further compulsory transfers of funding (progressive modulation) for this purpose from Pillar 1 of the CAP. This is important since the CAP budget is fixed until 2013. However, rather ironically, since the current UK voluntary modulation figure is higher than the recommended compulsory figure, there is likely to be less available funding in the UK for RDP projects including Stewardship. The figures vary across the United Kingdom, from 14% to 6% for England; 9% to 1% for Scotland and from 11.5% to 13% for Wales. Are we likely to witness a larger environmental emphasis in Wales?

The principle of subsidiarity is also strongly supported, since it will allow Member States and their regions to tailor their approach and spending to support locally distinctive circumstances. Such an approach can also complement similar regional and local planning policies. These opportunities must be taken for closer cooperation between agricultural and planning policies.

Specific suggestions here are supported and include landscape features such as hedges, ditches and trees (to which should be added drystone walls, since they add considerably to regional environmental diversity (e.g. the Arncliffe/Silverdale AONB has recently completed a significant programme of wall rebuilding and repairs). Buffer strips alongside water courses will provide a further significant landscape/biodiversity feature, as well as safeguarding watercourses from possible pollution.

It is also important that the Health Check does not forget the importance of the CAP in relation to the quality of life of rural communities (including rural services and affordable housing) and to encouraging diversification of economic activities in rural areas. Once again the opportunities to link and work with relevant planning policies (PPS/RSS/LDF) should be taken wherever possible.

Additional points from the draft impact assessment of the CAP Health Check

In exploring, with partners, the consequences for biodiversity in ending set-aside, it is important to include planners alongside representatives from Natural England, Countryside Council for Wales and Scottish Natural Heritage.

While the economic aspects of the Health Check are considered to be small, they are likely to be negative for the dairy industry and especially so in Wales. There will also be smaller impacts on mixed farms, cereals and general cropping. It is important that the environmental implications of such economic impacts are considered here, especially since the whole focus of the Health Check is now centred on environmental benefits.

The projected land use changes suggest a 3% increase in cereals; a 10% increase in oilseed; a 5% increase in cattle and a 2% increase in poultry. Research would be very helpful on the landscape impact of such changes, since landscape has a key environmental impact on visitors/tourist activity as well as on local communities.

It is vital to work with relevant bodies, including the RSPB, in mitigating the effects of set-aside removal and its return to production, on biodiversity. Cross compliance needs to be more effective alongside an added menu of options under Entry Level Stewardship (ELS). Are effective checks being carried out on cross compliance and if so what are the findings? Has research been carried out on the effectiveness of ELS?

Buffer strips of the correct width will be helpful in the protection of soils and water, but how can we ensure that this is carried out, with anecdotal evidence to suggest a reduction in strip width as crop marketing opportunities grow? Effective enforcement will be of key importance here.

It is important to work closely with the Environment Agency (EA); Natural England (NE); the Commission for Rural Communities (CRC); and local planning authorities, to better assess the likely negative environmental impact on longer term schemes. It is essential that some farmers are not allowed to revert to their old ways in the face of potentially greater short term financial returns from the market. Planners may be particularly helpful here, over the likely varied spatial distribution of the forecast changes. They should be added to the stakeholder group if this is to take a more openly holistic approach.

In the case of the rural economy, there may only be a small percentage of local employment in agriculture (4%), but it can be much higher than this in some specific locations. Such important areas need to be identified to help refine the policy approach.

There is a strong concern that the Health Check may lead to yet more people leaving the land at a time when it needs effective management. Failure to manage the land effectively will lead to subsequent landscape and biodiversity changes that will affect people's desire to live and work in rural areas or indeed to visit them as part of the multi-million pound tourist industry. There is anecdotal evidence from Scotland of the impact of farmland abandonment on access for walkers and ramblers. Without sheep, bracken infestation has become a significant problem, with knock-on implications for other users of the countryside.

Enforcement, especially through Natural England, has a key part to play in ensuring the effectiveness of cross compliance and ELS, and funding must be found to enable NE to carry out such work.

It may well be worth considering a mandatory approach for farmers to offset any loss of environmental benefits of losing set aside.

Any fall in commodity prices may well discourage a full return to 'ploughing up', but how realistic is this likely to be?

The Health Check has been through rural proofing, but the checklist used has not identified the issues that have been the focus of this consultation response. Questions are inevitably raised over its effectiveness.

In summary, the real issue to emerge from the Health Check is the future of the environmental benefits that have developed since set-aside was introduced. The other key point to emerge is the similarity with planning policies on a number of issues and the importance of working together more closely on issues that include the Rural Development Programme.

I trust that this response assists Defra in informing the UK's approach to negotiations on the EU Common Agricultural Policy. If you require any further assistance, please contact Mr Rynd Smith, Director of Policy and Communications on 020 7929 9472 or email rynd.smith@rtpi.org.uk

Yours sincerely,



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