

Councils' role in the future of rural land management

Purpose of report

For discussion.

Summary

During the 2018/19 Board cycle, as part of the Board's Post-Brexit England Commission, members commissioned research to identify the opportunities for councils to play an enhanced role in a new land management policy framework after the UK leaves the European Union's Common Agricultural Policy. This paper summarises the research findings and the opportunities for the Board to continue to explore this agenda going forward.

Recommendations

Members of the People and Places Board are asked to:

1. **Note** the LGA's work on rural land management over the previous board cycle, and officers' subsequent engagement with Government;
2. **Comment** on the proposed next steps for engagement on the future of English rural land management policy going forward.

Action

1. Officers to take forward this agenda following members' steer.

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Councils' role in the future of rural land management

Background

1. Members will be aware of the significant role the rural landscape or “natural capital” of non-metropolitan areas plays in driving local economic growth, supporting environmental outcomes, attracting tourism, improving peoples' health outcomes, and forming an integral part of residents' local identity.
2. Following the result of the EU referendum and the UK's scheduled withdrawal from the Common Agricultural Policy (CAP), the policy framework which determines the way farmers, landowners and land managers are incentivised to maintain rural land is set to change.
3. The Government plans to introduce a new Environmental Land Management Scheme (ELMS). As the old system of direct payments is phased out, farmers and landowners will be encouraged to enter into new contracts with the Government to produce environmental land management plans and be paid for the environmental outcomes they deliver, including: mitigating flood risks, running municipal farms to skill-up farmers of the future and ensuring high standards of animal welfare.
4. This reform represents a major policy shift towards a system that pays public money primarily for delivering environmental benefits. The development of a new system is also a chance for local government to have a greater influence over the way land-use is governed in rural areas.
5. At the last Board, members agreed it is essential that local government has a voice in national conversations on how land-use in rural areas is governed in future. As such, a piece of research be commissioned to explore the role of local government in the reformed land management policy framework. This paper outlines the findings of that research and suggests the areas which the Board might wish to explore on this agenda going forward.

Land management research

6. [Savills Rural Research](#) were commissioned to deliver the project and undertook a mixture of desk-based research, a survey and in-depth interviews with a range of councils and rural stakeholders. Its findings are detailed below:

The current rural land management framework

7. At present, there are many layers of overlapping policy governing land management in England and Wales. Since 1973, the UK has given the EU exclusive competence over agricultural, internal and external trade, and territorial cohesion policy, and partial competence over environment, energy and water issues. Land tenure, taxation, soil, forestry, economic development, health and planning remain to a greater or lesser extent Member State (that is, UK) competencies. As a result of the continual evolution of EU policy and the occasionally controversial conflict of competencies, the current land management policy framework is complex to say the least. It comprises:

8. **The Basic Payments Scheme (Pillar I)** – this accounts for the bulk of the CAP budget and is delivered via area based direct payments to farmers, provided they meet defined eligibility requirements. Over the period 2014 – 2020 this was worth about £1.7 billion.
9. **Rural Development Programme for England (Pillar II)** - The second pillar of the CAP, which in England is delivered through the Rural Development Programme for England (RDPE) is very complex. The main schemes that have been in operation in England during the current CAP programme include: The Environmental Stewardship Scheme, The Countryside Productivity Schemes, The RDPE Growth Programme, The RDPE LEADER Programme and other ad-hoc schemes. Over the period 2014 – 2020 this was worth about £490 million.
10. A breakdown of the most recent iteration of 2014-2020 CAP of funding is as follows:

England	Budget (£m)	Per cent of total
Basic Payments Scheme	1,764	78.1
Agri-Environment commitments	300	13.3
Countryside Stewardship	128.6	5.7
Countryside Productivity	19.7	0.9
LEADER	19.7	0.9
The RDPE Growth Programme	25.3	1.1
Total CAP budget (Pillar 1 & 2)	2,257.3	100

The role councils play in the current land management policy framework.

11. The research mapped the role that councils currently play in land management across England. It found:
- 11.1. Councils play a limited role in the **Basic Payments Scheme** (the Pillar I CAP). The main “touch points” in the current system are via the enforcement of land management regulation related to the scheme (local government has over 170 enforcement duties related to land management) and the role of council county farms as beneficiaries.
- 11.2. Contrary to the Basic Payments Scheme, councils play a more extensive role in the **Rural Development Programme for England** (the Pillar II CAP). Many councils relayed back the importance of LEADER funding which has made a significant impact on local rural economies by increasing farm productivity, provisions for rural tourism and creating other opportunities for rural economic growth.

The role councils could play in a reformed land management policy framework following the UK's divergence from the CAP

12. The research found that the final decision on what form a new land management policy framework will take is some way off. This therefore is a key opportunity for the LGA to influence the development/replacement of Pillars I and II of CAP over the coming political cycle.
13. The creation of a purely UK derived land management approach has the potential to generate opportunities for greater local policy influence. The future management of the rural landscape, and the way it is funded, will have a range of social, environmental and economic impacts for rural communities. For councils, engaging in this process will provide an opportunity to ensure land management initiatives align with wider placed-based ambitions such as improving public health outcomes, driving economic growth and meeting the infrastructure and housing ambitions of local plans. Put another way, there will be a considerable opportunity cost if a newly designed national land management framework shuts councils out of key conversations on how the replacement of CAP funding is spent locally.
14. Most councils interviewed were also keen to understand how the rural growth component of the CAP (Pillar II), such as the LEADER programme, will form part of new growth funding arrangements post-Brexit.
15. With this in mind, the Post-Brexit England Commission called for:
 - 15.1. councils to have a voice in the development of a new English land management policy to ensure it meets the needs of local areas.
 - 15.2. sustainable rural growth to be a key priority for post-Brexit funding to help non-metropolitan areas drive productivity and support prosperous communities whilst being mindful of the environment.

Other considerations in this area

16. **Future Farm inspection and Regulation Review** - following widespread criticism of the enforcement of the Basic Payment Scheme, the then Secretary of State for the Environment the Rt Hon Michael Gove MP commissioned Dame Glenys Stacey to review the entire system of farm inspection and regulation. The Review was published in December 2018 and proposed a substantial revision to the enforcement framework around land use. The headline recommendation in the Review is for a new independent regulator for farming and land management, so that regulation is integrated and efficient.

The new regulator would be able to commission elements of farming and land management regulation delivery from individual local authorities and other suitable bodies, which opens up the possibility for closer working with assurance schemes and bridging gaps between regulation and farm assurance. It is therefore likely this will be an area of consideration for councils going forward. However, of those councils interviewed, there was little ambition to take on new responsibilities in areas like environmental enforcement.



17. **The 25 Year Environment Plan (EP)** - The EP sets out three general principles for UK land management, namely: public money for public goods, more effective application of the 'polluter pays' principle, and the concept of 'net environmental gain' on all land use. These principles were planned to be included in a broader Environment Bill which is yet to be introduced to Parliament.

LGA policy development and future work of the board

18. The key findings of the research were featured in the final report of the Post-Brexit England Commission, which called for local government to be given a voice in the development of a new English land management policy. Since then the report has provided a platform on which to engage Department for Environment, Food & Rural Affairs (DEFRA).
19. In recent conversations with DEFRA officials, it is clear Government is at an early stage of policy formation and has not yet undertaken significant work on the future of land management. The Department is keen to adopt a co-design approach and intends to engage stakeholders across a range of policy sub-areas. There is also evidence that the Department is keen to implement greater flexibility at a local level, allowing stakeholders to set a series of local priorities that will inform how national land management and environmental objectives are delivered at a local level. At the time of writing, the LGA is due to attend a deep dive session run by the Department which will explore local prioritisation in greater detail. Officers will report back findings to the Board.
20. Finally, a meeting is being finalised between Lord Gardiner, Minister for Rural Affairs and Biosecurity, and the Chairman of the Board, at which the findings of this research can be discussed.
21. **Members are asked to note the LGA's work on rural land management over the previous board cycle, including the research findings, and officer's subsequent engagement with Government.**

Next Steps

Given the emerging nature of the Government's work on the future rural land management policy framework it is proposed that officers:

- 21.1. Continue to work with DEFRA on the development of rural land management policy with the aim of ensuring that local government has a stake in the design and implementation of a future scheme.
- 21.2. Seek to engage other key players in this area where there is opportunity to join up messaging including the Country Land and Business Association, The RSA Food, Farming and Countryside Commission, the National Farmers Union, National Parks England and other relevant organisations to ensure stakeholders are aware of the importance of council involvement.

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21.3. Explore further opportunities to engage proactively in this area including the potential to fund improvement support to help councils consider how they can play a more influential role in land management policy.

22. Members are asked to comment on the proposed next steps for engagement on the future of English rural land management policy going forward.