



Reform is a missed opportunity

By now I would hope you have a reasonable grasp of the brave new world of Basic Payment Scheme (BPS) and have realised that it is not so brave and not that new after all. There are indeed lots of new rules and there are many still yet unknown.

For example what is a “catch crop” for ecological focus area purposes; do stubble turnips count? If so when do they have to be sown by? How do we have to manage them; can we graze them? And what if they are part of my higher level stewardship (HLS)? BUT if one steps back from all of this, what has really happened in this “reform.” Nothing much: it was a total missed opportunity for the environment and for food and farming.

Take grassland for example: Subsidy attracting land will continue to be locked up in the hands of inactive farmers because, just as the subsidy provides a disincentive for them to farm, it also provides a disincentive to allow others to use it at a financially sustainable rate.

What often comes as a surprise to farmers is that it was only under pillar two’s agri-environment schemes that England has come close to measures which encourage any sort of farming at all. Entry level stewardship and HLS both included management options for certain sward heights and grazing as well as crop rotations. Despite DEFRA having

submitted its plans for the new rural development programme for England to the European Union in June we are still none the wiser about the detail it contained and are unlikely to find out until negotiations are completed sometime around October.

We do know that the programme will support managing the environment, increasing farming and forestry productivity and growing the rural economy and have a budget of £3.5 billion. The lion’s share of the pillar two budget will go to the successor to environmental stewardship which has the working title “NELMS” (new environmental land management scheme). Natural England anticipate that stewardship coverage will fall from the current 72% of usable agricultural area to between 35% and 40%.

There will be a single scheme with online application only. The scheme will be targeted at priority sites by invitation and at priority areas. It will focus on biodiversity and water framework directive objectives while other issues such as landscape conservation are likely to be marginalised. Agreements will mostly be for five year periods. It will be interesting to see whether this prompts a shift in who claims stewardship and whether dual use will continue. Shorter, harder to access agreements, are perhaps an incentive for landlords to grant more farm business tenancies (FBTs) and do away with

any dual use muddles.

Another key element of pillar two will be support for rural economic growth via the LEADER local action groups and the local enterprise partnerships. The EU thinks that England has not been that good at integrating the LEADER approach with delivering enhanced agri environmental benefits or improved productivity. Finland is held out as a good example of linking LEADER to supporting primary production via networks of meat production small and medium sized enterprises and training projects. In the South East, if you want to build a holiday let or put a plastic boulder outside your village hall LEADER has been the go to source of funding. It remains to be seen under the new programme whether the focus shifts to food and farming.

The continued lack of detail shouldn’t really come as a surprise. As we saw post 2005 the Rural Payments Agency (RPA) have a habit of moving goal posts. They have dreamt up “permanent ineligible features,” revised management requirements for salt marsh and poked their noses into FBTs and even deeds. All these additional areas of scrutiny are due to the dreaded “disallowance” penalties that the EU hands down on the RPA for administrative and accuracy errors. The RPA’s 2012-2017 business plan sets out that they aim to contain these penalties

to 2% of claim value. It also states in a rather miffed sort of a way that in 2011 £30 million in overpayments were still due to be returned to them. Dearest RPA, these problems are of your own making! Don’t you think it would be sensible to get things straight from the start and in a timely manner?

Rest assured the watch word for 2015 and beyond will be “COMPLIANCE.” Make sure you have the right safety net in place because the RPA will certainly not plead “mea culpa” when their ambiguity and tardiness coupled with increasingly forensic inspections leads to more and more penalties and reclaims.

I’m off to dust down my old IACS books for those crop codes we are going to need: the more something changes, the more it stays the same.



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