



Consultation response

Health and harmony: the future for food, farming and the environment in a Green Brexit

Date: May 2018

Description: This consultation from DEFRA sought views on the government's proposals for future agricultural policy in England.

About us

Historic Houses represents the UK's largest collection of independently owned historic houses, castles and gardens. Our family includes over 1,650 historic houses, many of which look after significant parts of the rural landscape, including important rural heritage assets.

Historic Houses places – the majority of which are situated in rural areas – contribute over £1 billion to the economy, and generate 33,700 full time equivalent jobs. As leading tourist attractions, events venues and rural business hubs, Historic Houses places are also vital catalysts for rural prosperity – spending over £247 million a year on goods and services, 46 per cent of which is with local suppliers.

Introduction

The country houses and gardens Historic Houses represents are deeply embedded in rural communities: as local heritage landmarks; as major tourist attractions; as small businesses in their own right, as well as hubs for other local businesses; as employers and clients; as providers of community space and leisure activities; and of course, as land managers and stewards of rural heritage.

The current Common Agricultural Policy (CAP) Pillar 2 recognises that rural prosperity encompasses a broad range of areas affecting the diverse communities that live and work in the rural landscape, as well as those that visit and enjoy the countryside. These rural landscapes are very special palimpsests of both the natural and the historic environment – reflected in funding streams such as Countryside Stewardship and LEADER. Historic Houses supports a future policy that recognises this parity by supporting farming and land management approaches that encompass the constructive conservation, sustainable use and enjoyment of both the historic and the natural environment, as part of a holistic rural landscape.

We fully support the government's aim to create a new funding structure based on the principle of ensuring that public money is spent on public goods – including rural

heritage. However, we have three key concerns with the consultation proposals. These will be explored in more detail below, but in brief:

1/ Historic Houses believes that future policy ought explicitly to recognise the parity of the natural environment and the historic environment in constituting the rural landscape. We also have a more general concern about the way that some of the consultation questions have been phrased; for example, asking respondents to prioritise public goods from a list that should all be supported by government.

2/ We support the principle of public money for public goods, but clarity is needed around what constitutes public good. We feel strongly that conservation of rural heritage should be specifically mentioned as an environmental public good, as an essential part of what makes rural landscapes distinctive, prosperous and special – both now and in the future.

3/ Clarity is also needed around the future of funding that supports rural businesses, tourism and cultural heritage activities – currently distributed through LEADER as part of the RDPE. This funding has been transformational for many rural heritage assets (such as barns, coach houses and other buildings ancillary to historic houses) in providing a wide range of public benefits – as tourist attractions, cultural hubs, small businesses and sources of local employment.

Consultation questions

Section 5 – Public money for public goods

Which of the environmental outcomes listed below do you consider to be the most important public goods that government should support? Please rank your top three options by order of importance;

- a. Improved soil health***
- b. Improved water quality***
- c. Better air quality***
- d. Increased biodiversity***
- e. Climate change mitigation***
- f. Enhanced beauty, heritage and engagement with the natural environment***

Of the options listed below, which do you consider to be the most important public goods that the government should support? Please rank your top three options by order of importance:

- a. World-class animal welfare***
- b. High animal health standards***
- c. Protection of crops, tree, plant, and bee health***
- d. Improved productivity and competitiveness***
- e. Preserving rural resilience and traditional farming and landscapes in the uplands***
- f. Public access to the countryside***

Are there any other public goods which you think the government should support?

Before answering this question substantively, it is worth noting that Historic Houses and many other heritage bodies have serious concerns about the way that some of the questions in this consultation have been phrased. For example, it is inappropriate to compare ‘options’ such as better air and water quality with enhanced beauty, heritage and engagement with the natural environment. The rural landscape is a complex interconnected system, in which the government should be supporting all of these public goods; each represent essential outcomes, and each is important in its own right.

The options listed in this question also underline concerns in the heritage sector that the consultation document has not yet struck a productive balance between the natural and historic environment – which are symbiotic as part of the landscape and deserve parity in future policy. Historic Houses had hoped that the government would seize the opportunity that leaving the EU presents to make the constructive conservation of our historic environment an explicit aim of all policies relating to wider landscape management. This is an area where the UK could become a world leader. However, by listing out five natural environment-driven public goods (a-e) and grouping all of the opportunities heritage represents into one (f) alongside general ‘engagement with the natural environment’, the government is missing an opportunity to tap the full potential of heritage as a multifaceted public good. While heritage assets are of course intrinsically important in their own right – enhancing the beauty of the landscape – there is considerable opportunity in the formation of new policy to support the varied, active *use* of heritage assets as drivers of public good. In supporting rural heritage assets to develop economically viable uses, the public benefits from the continued conservation of these nationally important, beautiful places alongside increased rural prosperity and employment opportunities.

While we have serious concerns about consultees being asked to rank public goods by order of importance – as set out above – Historic Houses is encouraged to see ‘improved productivity and competitiveness’ (d) included in the second list. Again though, heritage can be a key economic driver here, and an explicit reference to rural heritage schemes and the benefits that they can bring is conspicuous by its absence. The current LEADER programme has provided essential support for rural heritage diversification, leading to increased provision of heritage and tourism activities, new employment opportunities in rural areas and heightened productivity. DEFRA’s own impact assessment of the current RDPE programmes¹ (2014) found an ROI of 5.07 and 3.71 (p50) for the business and community investment parts of the LEADER programme respectively, as well as an ROI of 2.51 (p48) for the growth programme. This indicates that the benefits of supporting the increased productivity of rural diversification projects, including those that boost rural tourism and provide heritage-related benefits, far outweigh the costs.

1

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/319445/rdpe-ia-201406.pdf

Public access to the countryside (f) is an important public good, and what is meant by public access deserves a careful definition. Any new elements of public access in the new policy should be based on voluntary, flexible arrangements with landowners, and should take into account any potential risks and costs to landowners. While public access is a vitally important part of many projects, it is worth noting that many worthy conservation projects provide access in a different way i.e. through use as a wedding venue, or a business space, and these are just as important as a means of conserving important parts of the rural heritage landscape.

Historic Houses case study – LEADER funding at Mapperton, Dorset

Grade I listed Mapperton House is a thriving visitor attraction and events venue, sitting in award-winning gardens near Beaminster, South Dorset. While Mapperton was already a successful small business, external funding was needed to enable the estate to generate the capital required to convert a 17th century coach house into a café for visitors, and a space for weddings to take place.

In September 2017, the Southern Dorset Local Action Group awarded Mapperton a LEADER grant of £139,782 towards converting the coach house, as part of an ongoing programme of improvements, which have included a new access road and parking area. The Southern Dorset Local Action Group strongly supported the project, noting that the money would "help provide a far better experience for visitors to Mapperton, and, in the Committee's view, promote tourism away from the coast in the beautiful countryside of Dorset."

The project, which is near completion, is expected to create seven new jobs, alongside generating wider economic benefits for the local community through the improved tourism offer.

Section 6 – Enhancing our environment

From the list below, please select which outcomes would be best achieved by incentivising action across a number of farms or other land parcels in a future environmental land management scheme:

- a. ***Recreation***
- b. ***Water quality***
- c. ***Flood mitigation***
- d. ***Habitat restoration***
- e. ***Species recovery***
- f. ***Soil quality***
- g. ***Cultural heritage***
- h. ***Carbon sequestration and greenhouse gas reduction***
- i. ***Air quality***
- j. ***Woodlands and forestry***
- k. ***Other (please specify)***

Historic Houses is pleased to see that the Government makes it clear in the consultation document that the principle public good it wants to support is environmental protection and enhancement. We are also pleased that cultural heritage has been recognised in the above list (g), and we think this outcome could be best achieved through incentivised action to conserve and maintain the historic environment across a number of farms or other parcels of land. We would also welcome the recognition of the importance of rural tourism and recreation in this list.

However, overall, we are disappointed that there are very few mentions of how the historic environment will be a crucial part of schemes for environmental protection and enhancement. There are only two references in this section to 'heritage', and none at all to the historic environment, compared to 17 mentions of 'environment' or 'environmental', and six of 'nature' or 'natural'.

Furthermore, the case studies that are included in this section miss the opportunity to represent the diversity of the historic environment sector. The majority of heritage assets in the UK are owned and looked after by independent owners – not the public sector or major national charities.

How can an approach to a new environmental land management system be developed that balances national and local priorities for environmental outcomes?

Historic Houses welcomes the government's intention to ensure that targets are robust enough to support important national priorities, and yet are flexible enough to make sure that different local needs are considered. We believe delivering this successfully will come down to two key points.

First, any future scheme must ensure that local priorities are addressed within a national framework by delegating decision-making around particular funding streams to the local level (such as the existing structure of Local Action Groups allocating ILEADER funding to local projects, which generally works well and ensures local needs are addressed by local people).

Secondly, future programmes should be simplified so that they focus on rewarding environmental outcomes. Currently, many landowners, farmers and managers are put off from applying to existing schemes as there is more emphasis on outputs over outcomes, rather than the results alone. Landowners, farmers and managers very often have a much more detailed understanding of what might work to deliver environmental outcomes on their land than is possible for any scheme to cover in detail. If this unnecessary bureaucracy around outputs is removed, and applicants are given more freedom in terms of how to deliver outcomes, we are sure the government would see both a higher take-up of environmental land management schemes and improved environmental outcomes.

How can farmers and land managers work together or with third parties to deliver environmental outcomes?

The active involvement of independent owners of rural heritage assets – who are more often than not also land managers – will be important here in terms of delivering environmental outcomes through collaborative approaches. As mentioned above, it is disappointing that the heritage-related case study presented in this consultation focuses on a project run by a government agency (in this case Historic England) when there are many more case studies in which independent owners of heritage assets are proactively delivering environmental outcomes. The majority of the UK's heritage assets are owned independently, either by individuals or independent charities, and this reality must be reflected in the design of collaborative approaches to delivering the new environmental land management system.

Section 8 – Supporting rural communities and remote farming

There are a number of challenges facing rural communities and businesses. Please rank your top three by order of importance:

- a. ***Broadband coverage***
- b. ***Mobile phone coverage***
- c. ***Access to finance***
- d. ***Availability of suitable business accommodation***
- e. ***Access to skilled labour***
- f. ***Transport connectivity***
- g. ***Other, please specify***

Historic Houses considers that access to finance, transport connectivity, and both mobile phone coverage and broadband coverage, are all key priorities for rural communities and businesses.

Access to finance is a key issue for Historic Houses places. Funding for heritage projects is increasingly limited - especially for those assets that are looked after independently and not by charities. This lack of funding, coupled with an increasingly complex tax regime, has resulted in the development of a backlog of £1.38 billion worth of urgent repairs and maintenance across the 1,650 historic houses we represent.

Lack of rural transport connectivity - in particular difficulties around 'the final mile' between public transport and rural tourism attractions – is a perennial barrier to the development of rural businesses. Lack of sufficient mobile and broadband coverage is also a key issue for many rural tourism businesses. Mobile and digital connectivity are essential utilities for historic houses businesses; it is extremely difficult to market a tourism offer, retain a workforce or engage with other local businesses without a reliable internet connection.

Government has gone some way towards providing universal coverage of quality broadband, but there is still a huge gap between urban and rural availability, not to mention the lack of consistent upload and download speeds across the country. Historic Houses made strong representations in its response to the consultation on the Universal Service Obligation that dedicated funding should be in place for rural

areas, which are typically more expensive to connect due to lack of aggregate demand and relative isolation.

With reference to the way that you have ranked your answers to the previous question, what should government do to address the challenges faced by rural communities and businesses post-EU Exit?

We are pleased that the Government has continued to recognise the importance of funding for socio-economic projects that will allow rural businesses and economies to develop and diversify. This funding is especially important for rural tourism and heritage projects, as funding opportunities have become more and more limited. As mentioned above, while we have ranked access to finance, transport connectivity and mobile / broadband connectivity as the main areas of concerns for Historic Houses places, we do not believe that funding should be limited to these areas exclusively.

Currently, rural diversification is supported through the RDPE programme. The RDPE funding is split equally between business development, rural tourism and food processing, with the LEADER funding available through RDPE offering more specialised funding for micro and small businesses and farm diversification; boosting rural tourism; providing rural services; providing cultural and heritage activities, as well as increased farm and forestry productivity. Historic Houses believes that government should replicate these funding streams in its replacement for CAP, as they generate results that can be measured nationally, but also allow for flexibility for local communities to meet local needs. As mentioned above, this essential support for rural heritage diversification has resulted in increased provision of heritage and tourism activities, new employment opportunities in rural areas and heightened productivity, and has resulted in a considerable return on investment (DEFRA's own impact assessment of the current RDPE programmes² (2014) found an ROI of 5.07 and 3.71 (p50) for the business and community investment parts of the LEADER programme respectively, as well as an ROI of 2.51 (p48) for the growth programme).

Similarly, the structure of the current funding has worked well, with Local Action Groups (LAGs) responsible for allocating funding at the local level. Historic Houses would support a similar locally-led structure going forward, so that local and regional needs are addressed by local decision-makers. Along with others from the heritage and tourism sectors, Historic Houses believes that future funding could be administered by Local Enterprise Partnerships (LEPs), within a framework set and monitored by the Department for the Environment, Food and Rural Affairs (DEFRA).

We would be very concerned if strategic oversight of rural funding were to be removed from DEFRA, the rural department. It is surely best for the department that has named responsibility for rural affairs to administer any funding for these rural communities, rather than homogenising that funding into a general UK Shared

2

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/319445/rdpe-ia-201406.pdf

Prosperity Fund, which could dilute the distinctive needs of rural communities. Furthermore, Historic Houses is concerned as to what such a move could signal as to the government's commitment to rural communities. In recent years, successive governments have hugely decreased the number of staff for rural affairs; any proposal to move the responsibility for rural funding to the Ministry for Housing, Communities and Local Government would further undermine the responsibilities of the rural affairs team within DEFRA.

Section 13 – Devolution: maintaining cohesion and flexibility

With reference to the principles set out by Joint Ministerial Committee negotiations above, what are the agriculture and land management policy areas where a common approach across the UK is necessary?

What are the likely impacts on cross-border farms if each administration can tailor its own agriculture and land management policy?

Historic Houses would underline that as well as making sure that agricultural and land management areas adopt a common approach across the UK, it will be important that the structure for funding for socio-economic projects is consistent across devolved nations.

Section 15 – the Agricultural Bill

How far do you agree with the proposed powers of the Agricultural Bill? What other measures might we need in the Agricultural Bill to achieve our objectives?

It is difficult properly to comment on the proposed powers of the Agriculture Bill, as they are outlined very generally. However, in order to deliver for rural communities and unleash the full potential of rural heritage, government should consider the following points:

- A new Bill must maintain and update the obligation of the Secretary of State in sections 17 and 18 of the Agriculture Act 1986, to give heritage equal importance in funding and decision-making with the natural environment, the social and economic interests of rural communities, and public enjoyment of the countryside. Historic Houses would echo the Heritage Alliance's suggestion that the new wording of this obligation should be updated to reflect the standard definition of heritage assets in documents such as the National Planning Policy Framework. For example, it could read "...the conservation and enhancement of the natural beauty and amenity of the countryside (including its flora and fauna and geological and physiological features), and of heritage assets (of value for their archaeological, architectural, artistic, or historic interest)."

- It is important that when designing future policy, the government does not simply replicate EU directives in new legislation. One of the key weaknesses of EU funding is that it depends almost entirely on whether an activity is subject to EU Directives. This means that funding is biased very heavily towards those areas covered by directives, and away from those not covered. In future, funding for public goods should not follow EU legislation: it should fund goods that benefit the public who are paying for them, and which otherwise would not be provided. This will ensure that funding is driven by UK needs, and by considerations of public benefit, public consultation, and measured outcomes.

Conclusion and recommendations

Historic Houses recognises the opportunity that leaving the European Union presents to design a replacement for the Common Agricultural Policy that is better suited to deliver the environmental outcomes specific to the UK. We have emphasised above how support for rural heritage and the historic environment will be intrinsic to the success of a new agricultural policy; rural heritage is a public good that returns investment with increased productivity and prosperity for fragile rural communities.

Government could unleash the full economic, social and cultural potential of rural heritage through:

- 1/** Explicit recognition of the parity of the natural environment and the historic environment in future rural policy, and in the forthcoming Agriculture Bill.
- 2/** Continuation of levels of funding for socio-economic projects in rural areas, and designing a structure that will deliver this funding to be flexible enough to respond to local needs as part of a national framework.
- 3/** Demonstrative support for rural communities by retaining responsibility for rural funding with DEFRA.
- 4/** Ensuring that any future environmental management schemes include rural heritage as a key public good, and that these schemes focus on results rather than process.

Historic Houses looks forward to working with government to help develop future policy in this area.

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