

south west chamber of rural enterprise
working together for a prosperous countryside

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Dear Sirs

ENVIRONMENTAL FUNDING GAP

On behalf of the South West Chamber of Rural Enterprise we write to express our serious concern about the environmental funding gap which is about to undermine much of the good work that has taken place under various agri-environment schemes over the last twenty years.

As you are well aware existing Environmental Sensitive Area (ESA) Scheme and Countryside Stewardship Scheme (CSS) agreements will cease at the end of their term. As a consequence in the next few years a significant number of farmers and landowners will lose funding for many of the environmental features they have established on their land. These features may include those which benefit biodiversity, landscape, public access, the historic environment and natural resource protection.

Currently the options available to these agreement holders are:

- Enter Entry Level Stewardship (ELS), which at £12/acre will in most cases represent a significant reduction in the level of payment being received under the existing agreement. Further it may not be necessary to retain many or possibly any of the environmental features under the old agreement with the consequence that valuable field margins or other features may be brought back in to production.
- Enter the Higher Level Stewardship (HLS). This is a possibility if the agreement holder's land falls within certain target areas or attracts certain target species but this will not be the case for many.
- Do not enter either of the above schemes with the result that all the environmental gain, which has been publically funded for up to 20 years will be in danger of being lost.

Many of our members have expressed serious concern that they are aware of existing agreement holders who will not be able to afford to retain the habitats they have created because there is a mismatch between the old and new environmental funding streams. This is a serious regret to many agreement holders who are keen to retain certain features they have created but if funding is not available to support them the likelihood is that they will be returned to agricultural use.

We applaud the introduction of the ELS, which although the application process can be tortuous if the maps are not correct, seems to be working reasonably well. However, there is no continuum between ELS and HLS; most farmers should be able to get in to the ELS but under the current scheme rules only relatively few will be able to access HLS funding. We contend this will result in the loss of many valuable environmental features which were previously funded under the old environmental schemes.

We are not suggesting all old ESA and CSS agreements should be retained indefinitely but we are suggesting that the current rules should be modified such that a rising scale of payments can be claimed depending upon number and quality of environmental features being created or in the case of existing agreement holders, retained.

At present the system is like a very broad based triangle with ELS agreements at the bottom, then there is a yawning gap where there is no funding before you get to the apex where the high quality HLS agreements are found. What we propose is that this gap is filled in with agreements that provide more than the basic ELS management prescriptions but which will never be able to gain entry to HLS.

We feel this could be arranged relatively easily using the existing management prescriptions and scoring system. Thus for example a rising scale of payments could be introduced such that as and when the farmer reaches a certain points threshold the grant payment goes up to another level.

At present one needs 30 points per hectare to enter ELS; perhaps it would be logical to introduce say three or four more "30 point steps" and once the applicant has reached the next threshold, he receives an enhanced payment. The important point is that there needs to be a continuum so that the useful features from past agreements can be retained in to the future.

At present there is a chasm between the relatively low environmental requirements of the ELS and high requirements of the HLS. Sadly many environmental features across the broader agricultural landscape will be lost somewhere in the middle.

In addition ELS makes no contribution to capital works to restore, improve or create valuable environmental features. We propose that capital payments should be made progressively as one moves up the "Environmental Stewardship ladder". Thus at 30 points one would have no access to capital payments but at 60 points perhaps £10,000 over two years rising by £10,000 per 30 points.

It is appreciated the changes suggested above would need to be ratified at a European level which will no doubt take some time. Thus there is a risk that even if you did change the system, the delay in its introduction would mean some existing CSS and ESA agreements would have ended and valuable environmental features may have already been lost. Therefore in order to

budget is used in the first instance to extend those existing CSS or ESA agreements which are considered to have been successful for a period of years until the new arrangements are in place to enable entry in to the graded system.

This is considered to be a simple and practical approach to this problem which would not involve the need for a new application. The existing agreement would need to be assessed by Natural England and if it was considered of sufficient value, the existing scheme could be extended in time, space and quality thereby safeguarding, expanding and improving the existing publically funded environmental investment. This would be a much quicker and simpler process than trying to create new HLS agreements.

From a budgetary perspective you would be able assess exactly how many schemes are due to end in the coming years and thus the maximum level of your potential financial exposure.

We understand that you do have the opportunity to go back to Europe on an annual basis to modify the existing arrangements and we suggest the above representations are taken in to serious consideration in this respect. Otherwise we are concerned that the good works that many farmers and landowners have carried out in recent years will be lost. This would be environmentally damaging and a serious waste of public funds.

We look forward to hearing your considered response to the above as soon as possible.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'Henry Studholme', with a stylized flourish at the end.

Sir Henry Studholme

(On behalf of the South West Chamber of Rural Enterprise)