

# Part 2

## ***a working countryside***

*We want to see a working countryside, with a prosperous and diverse economy*

7. market towns and a thriving local economy
8. a new future for farming



# market towns and a thriving local economy



## The issues

- Many rural areas are prosperous with high growth rates, high employment and attractive as a business location. Others – particularly in remote rural, coastal and coalfield regions – have serious economic difficulties with declining towns, loss of younger people, high unemployment, low wages and low investment: seven out of ten English counties with the lowest GDP per head are predominantly rural.
- In places the local economy can be heavily dependent on primary industries, such as agriculture, mining, quarrying and fishing; this can cause social and economic difficulties should there be any large structural changes in those industries.
- For some businesses in rural areas small size and physical isolation can create barriers to growth; it is harder to access markets, transport materials, obtain skilled labour and get business support and advice.

## The future – what we want to see

- Thriving economies in all rural areas which provide good quality employment opportunities and exploit the versatility, entrepreneurial tradition, and, increasingly, local green business potential. A better trained rural workforce. Small rural businesses exploiting ICT and marketing their goods and services well outside their local region.
- Market Towns as a focus for growth in areas which need regeneration, and more generally as service centres and hubs for surrounding hinterland, exploiting their potential as attractive places to live, work and spend leisure time.
- Regeneration of deprived rural areas (the Rural Priority Areas) through development of a broader economic base and regionally comparable skill levels, employment and business development.
- Tourism as an increasingly important business sector as leisure spending on enjoying the countryside and its towns increases. Land based businesses such as forestry and horse enterprises and demand for distinctive rural products and services will be key factors in continued rural prosperity.

## Summary of measures

- Market Towns 'Health Check';
- £37m over three years to fund Regeneration for Market Towns in or near Rural Priority Areas to create a £100m programme with partnership funds;
- Rural areas will benefit from increased resources and flexibility for RDA programmes (from £1.2bn to £1.7bn by 2003-04);
- New rural vision for RDAs to realise potential of rural economy and help it adapt to declining industries;
- Extending ICT access and use in rural areas;
- Tailored business support and training in rural areas;
- 100 per cent capital allowances for creating flats over shops for letting.

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### Rural Economies

The Cabinet Office PIU study on *Rural Economies* (see chapter 1) looked at the role of the economy in rural areas and highlighted the following

#### Strengths

- High quality of life in rural areas attracts relocating businesses and encourages local businesses to stay;
- The value of the countryside as a marketable product, for tourism and recreation;
- Competitive advantage over urban areas for some types of enterprise, such as those dependent on natural resources;

#### Weaknesses

- Absence of a sufficient pool of suitable labour for some types of business;
- Lack of a critical mass of supporting businesses and services;
- Relatively poor communications, including the infrastructure supporting Information and Communication Technology (ICT).

## 7.1. The economy in rural areas

**7.1.1.** The economy in rural areas is increasingly dependent on regional, national and global business links, rather than the traditional pattern of rural trades. Nevertheless rural areas continue to have certain distinct business features (see box) such as a high proportion of micro-businesses (90% under 10 employees). Land and countryside character are a strong factor in creating new enterprises in tourism, food, country sports and recreation. Also important are professions and trades which support businesses in the hinterland (accountants, surveyors, construction trades) and public services which are often the large employers underpinning the economic strength of a country town. As with conservation, environment and tourism businesses, these act as a focus for other services and new business growth.

## 7.2. Enhancing the role of market towns

**7.2.1.** Market towns play a critical role in helping rural communities to thrive and in regenerating deprived areas. They are small rural and coastal towns many of which serve a rural hinterland whether or not they have ever had traditional agricultural markets. Some may have grown up around a canal or railway junction or as a coastal resort while continuing to be an important commercial and leisure focus for a rural hinterland. There are over 1,000 towns in England with populations between 2,000 and 20,000. Many have suffered from the decline of agriculture, mining, textiles or other industries.

### A changing role

**7.2.2.** The shift of services (both private and public) to larger towns because of economies of scale has further undermined the role of some market towns. Research on the impact of large foodstores on market towns has shown that locating new stores outside the centre of a market town can have a devastating effect on the continued vitality and viability of the town centre and of town centre shops. They may now be further threatened as Internet-based services replace traditional high street activities such as banking, estate agents and travel agents. The businesses and communities in these towns need to respond to their changed circumstances to maintain their physical fabric, economic vitality and a good quality of life for people both in the town itself and the surrounding rural areas. But there is no single solution to meeting the challenges they face.



**Market day in Sleaford, Lincolnshire**  
Credit: Countryside Agency – Andy Tryner

**7.2.3.** Our planning policy guidance on town centres and retail development (*PPG6*) already seeks to ensure that new retail and other key town centre uses locate in the centre of market towns to maintain and enhance their vitality and viability. We also stress the need for town health checks and town centre management. We have stopped the drift to out-of-centre or out-of-town sites. We now need to reinforce the role of market towns and their potential to support a more sustainable pattern of development by ensuring that they are the focus for a range of private and public services to which people need access.

**7.2.4.** With vigorous local effort, the fortunes of some market towns have revived, and rural regeneration programmes have already helped many towns, but with rapid change in business, retail and consumer patterns many more are vulnerable. We see market towns as having a crucial part to play in the future development of the rural economy. Prosperous market towns can help regenerate the surrounding area as:

- A focus for economic development and regeneration including markets for local food and other countryside products;
- Centres which meet people's needs for access to a wide range of retail, professional and public services without destroying the character of the area (see chapter 4);
- A focus for properly planned and co-ordinated public transport (see chapter 6);
- Distinctive places to live often with a fine heritage and historic buildings and the potential to act as a centre of cultural activity.

### **A new commitment to market towns**

**7.2.5.** So we are making a **new commitment to market towns** to help them manage the process of change. We will strengthen market towns which can provide improved services for surrounding rural areas and we will help regenerate the most deprived. We will ensure that both central and local Government bodies explicitly recognise the role of market towns in their strategies. Many of the RDA strategies and

recent reviews of Regional Planning Guidance (RPG) already recognise the crucial role of market towns and are identifying action to support this role. It will also feature in our revised guidance to RDAs on rural policy. We will also expect regional planning bodies to take this objective fully into account in future RPG reviews. In addition:

- **We will provide new resources of £37m within the Regional Development Agencies (RDAs) rural programme and the Countryside Agency programme over the next three years to support market town regeneration.** Together with matching support from partners and EU funds we expect to create a £100m Market Towns programme over three years. This will enable:

- **A regional regeneration programme led by the RDAs, with the CA and other regional partners, of around 100 towns across all RDAs, which will help create new job opportunities, new workspace, restored high streets, improved amenities and transport facilities and help with community needs.** These towns will be selected on the basis of:
  - their potential to act as a focus for growth, relieving disadvantage and increasing economic opportunity in the Rural Priority Areas (see paragraph 7.3.4);
  - their potential to act as a service centre, with a broad range of services, and well placed with good transport links to surrounding towns and villages;
  - the ability of local partners to commit resources alongside the RDA programme;
  - the extent to which they have already benefited from regeneration programmes including the rural programme, SRB, European funding and others.

- **The Countryside Agency will identify a national beacon towns network drawing on this experience and featuring 10-20 towns to demonstrate the range of different problems and challenges** which market towns experience and from which other towns can learn. All market towns would be able to draw on a National **Best Practice Programme** – publications, training events, and a web site – led by the Countryside Agency, in partnership with the RDAs and Action for Market Towns. **Health checks** for individual towns – see page 78 – will be a part of this approach.

- **We are revising the *Planning Policy Guidance on Land Use Planning and Transport (PPG 13)* which emphasises the role of market towns as the focus for rural jobs and services.** The new guidance will advise local planning authorities in rural areas that major public services which need to be accessible to the largest rural population should be located as far as possible in local service centres which may be market towns or large villages with good transport links. At the same time, this does not rule out smaller employment opportunities being located in more remote rural areas (see paragraph 8.4.3).
- **We will be asking public service providers to make Market Town provision a key element in their strategies** (and encouraging the private sector to make a commitment to Market Towns in their service programmes) (see table 7.1).

#### Case study – Oswestry: town centre regeneration

In 1994, Oswestry, Shropshire, was experiencing the impact of major out of town shopping centres. Many town centre shops were empty; there was a feeling of apathy, particularly within the Chamber of Commerce; the retail markets were hit by recession and the ever extending hours of supermarket trading; bad 1960s town planning coupled with a medieval street pattern made pedestrian and traffic conflict commonplace; Town and Borough Councils were in conflict over supermarket applications and in or out of town siting. At one time, the Borough Council had 11 supermarket applications to resolve. Following a presentation by Boots, the Chemist, to the councils and Chamber of Commerce, a town centre working group was set up involving both the public and private sectors. Partners worked together on tourism, retailing, competition, unemployment and the superstore issue. The Oswestry Town Centre Partnership drives forward the strategy, and oversees the special task force of 14 council officers who carry out the work and apply for project funding. Much has been achieved by the Partnership, including a facelift of shop fronts, cycleways, new bus station, steam railway centre, visitor signing, shopper loyalty scheme, customer care training, community safety audit, living over the shop and a workway arts scheme. Over £7m has already been raised from the Lottery, businesses, European funding and local authorities. Within five years, the Town Partnership aims to reduce crime by 20%, create 200 new jobs, attract £16m investment and train 250 people in customer care.



The town centre, Richmond, Yorkshire, which has benefited from a successful regeneration partnership  
Credit: Action for Market Towns

#### Case study – Ibstock: community led regeneration

The village of Ibstock in Leicestershire is on a former coalfield and the 5,000-strong community was hard hit by the closures of the surrounding pits in the 1980s. When the village's only bank closed in 1995, local traders fought hard to install a cashpoint machine in the defunct bank, and turn the building into a community resource centre. They persuaded the Co-operative Bank to provide the cashpoint machine, and the benefits have been felt by residents and businesses alike. The campaign has boosted village morale and rekindled a sense of pride in the town.



Saltburn-by-Sea: where heritage has a future  
Credit: The Countryside Agency

**Table 7.1: A Market Town Template for the East Midlands – facilities to be available (edited extract)**

	<b>Larger Market Town</b> (10,000-25,000 people)	<b>Smaller Market Town</b> (2,000-10,000 people)
<b>Retail</b>	Basic comparison shopping, including local traders and national multiple retailers. Post Office. Farmers market and/or other retailing of local produce. Existing livestock markets.	Convenience shopping (including Post Office) and some weekly specialist needs provided for. Farmers market and/or other retailing of local produce. Existing livestock markets.
<b>Financial services</b>	Main High Street banks and building societies. 24 hour cash provision.	At least one bank and one building society agency. 24 hour cash provision.
<b>Healthcare</b>	Large Health Centre including dentist and pharmacy and Ambulance Station.	Small Health Care Centre or large doctors surgery, dentist and pharmacy
<b>Education, community and social services</b>	Adult education facilities, youth centre, Further education provision and full access to remote learning. Secondary school. Dedicated IT facility.	Secondary school, base for youth services, access centre for further/adult education. Remote learning and ICT links available to public in business hours.
<b>Cultural facilities (sports, arts and leisure)</b>	Permanent library, range of cultural facilities, leisure centre (with swimming pool), local cinema. Pubs and restaurants. Facilities for teenagers other than youth clubs.	Permanent library facilities. Cultural events/local Arts venue. Sports pitches with changing rooms, sports hall, weekly cinema. Pubs and restaurant. Recreation park.
<b>Natural environment</b>	Trees/woodlands in the built environment. Habitat and open space linked. Watercourse corridors and floodplains enhanced.	Trees/woodlands in the built environment. Habitat and open space linked. Watercourse corridors and floodplains enhanced.
<b>Employment sites</b>	Wide range of sites/premises available including workspace and serviced sites. Re-use of existing buildings and brown field sites.	Adequate range of sites/premises available plus the provision of workspace and serviced sites for employment opportunities.
<b>Employment opportunities</b>	Full time Job Centre or equivalent. Information for the individual on jobs/training.	Part-time Job Centre or equivalent. Information for the individual on jobs/training.
<b>Business support/advice</b>	Support base providing access to Small Business Service and Citizens Advice Bureau.	Visiting support including access to Small Business Service and Citizens Advice Bureau.
<b>Childcare</b>	Range of facilities and holiday clubs. Permanent nursery and out of hours childcare.	At least one facility and holiday club available including out of hours childcare.
<b>Public administration</b>	Permanent Local Authority presence and/or Town Council office. A town centre manager.	Access to a District/County Council sub-area office. Shared town centre management.
<b>Tourism</b>	Tourist Information Centre and a wide range of overnight accommodation.	Tourist Information access in a multipurpose centre. Range of overnight accommodation.
<b>Police, fire, courts</b>	Magistrates Court, main police station, fire station and/or links via multi purpose centres.	Part-time police office and fire station and/or integrated emergency services centre.
<b>Public and community transport</b>	Daily town and rural public transport, including evening and weekend services. Bus station with coach services interchange. Taxi services.	Regular daily public transport to surrounding villages/towns. Evening and weekend services to major towns. Local taxi service.
<b>Town centre environmental uplift</b>	Comprehensive approach to historic buildings. Traffic management and pedestrian access plan.	Proposal to identify individual buildings or groups of buildings for environmental uplift.
<b>Housing</b>	Range of housing for purchase and rental. Local point to advise on housing availability.	Range of housing for purchase or rental. Access point to advise on housing availability.

This template has been compiled by East Midlands Development Agency, The Countryside Agency, Government Office for the East Midlands, Council for the Protection of Rural England, Civic Trust, Heritage Lottery Fund, East Midlands Regional Local Government Association, Lincolnshire Tourism, Ministry of Agriculture Fisheries and Food, East Midlands Arts, Employment Service, Heart of England Tourist Board, English Nature, English Heritage, Action for Market Towns, and the Forestry Commission. These partners are committed to providing a positive response wherever possible to the provision of any facilities shown in the template.

### The Market Towns Health Check

Some market towns and their centres need particular support to regenerate themselves. The evidence suggests that the key ingredients for success are:

- Business, local authority, voluntary group, residents and other partners coming together as a steering group for each town;
- Appointment of suitably qualified project officers, answering to the steering group for each town (or a group of very small towns). These will sometimes be secondees from local authorities and sometimes outside appointees;
- Intensive and systematic consultation of communities with data being gathered via surveys;
- On the basis of the findings, a range of specific proposals for change to be drawn up by the group and put to the community;
- On the basis of consultation feedback, a way forward will be agreed and an action plan drawn up. This will include agreeing any applications for funding from outside sources;
- Action in accordance with the plan will be carried out, co-ordinated by the project officer who will report regularly on progress to the Steering Group.

This is not intended to be a precise blueprint, and the ordering of events may differ in different towns, but it sets out the main steps. The outcome will take advantage of each town's comparative advantages of location, physical inheritance, human capital and both local and outside financial resources. The results should be a variety of physical improvements as well as in renewed local pride, with the community taking and keeping control of its town's destiny.

Individual town programmes will help local authorities and community partners with the consultation process; the employment of project officers; some individual projects; and training, eg to help local businesses to use modern retail practices, and put ICT to best use. The Countryside Agency will encourage the application of best practice health check methods across all of England.

### Opportunities for business funding

**7.2.6.** If market towns are to become the busy hubs that we want to see, they need to be attractive places with good buildings and good open spaces. The maintenance of historic buildings in a good condition and their continuation in use makes an important contribution to this. We see the achievement of this quality and **area improvement** as very much a matter for partnership between the local authority and the local businesses, in whose interest it will be to help improve the attractiveness of the town as a whole to help

to attract more custom. To help achieve this we are consulting in the Green Paper *Modernising Local Government Finance* on:

- **Proposals that will allow local authorities to raise a supplementary rate** providing that representative partnership arrangements have been agreed with their local business community. The funds raised could be used for local projects chosen with the agreement of the affected ratepayers. The proposals would allow councils to raise a local supplement of no more than 5% of the national rate, phased in at 1% per year, with high performing authorities able to raise a further 5%. This may be a local authority wide supplement or locally targeted (for instance on one market town);
- **Town Improvement Schemes (TISs)** (as described more fully in the companion White Paper *Our Towns and Cities: The Future – Delivering an Urban Renaissance*) These could be funded by the supplementary rate. The Green Paper *Modernising Local Government Finance* also invites views on alternative funding arrangements.

**7.2.7.** Empty or under-used space above commercial premises in the centres of market towns can have an adverse impact on their appearance and attractiveness as well as being a waste of space that can be used to provide more homes.

- As announced in the November 2000 Pre-Budget Report, we plan to introduce a **100% capital allowance for creating 'flats over shops'** for letting to encourage better use of vacant and under-utilised space above shops and other commercial premises.



**Towcester Mill: Part of Heritage Economic Regeneration in the market town of Towcester**  
Credit: English Heritage



### Case study – Heritage Economic Regeneration Scheme in Towcester

English Heritage is spending £18m over four years from 1999, in urban and rural areas, on conservation-led regeneration schemes including rescuing historic buildings, investing in the re-use of buildings, and helping the re-occupation of under-used upper floors of high street properties. The scheme is expected to lever in private funds of four or five times that amount. Towcester, a Roman town, with a town centre in need of new investment in the physical environment, new employment, and new visitor attractions, has already benefited from English Heritage funding. Grants of over £90,000 have levered in private finance of over £230,000. A key project was the renovation of the disused and deteriorating Towcester Mill as office accommodation near to the town centre now occupied by a computer firm that would otherwise have relocated elsewhere.

- Building on local identity, culture and character particularly in leisure related businesses, as in the success of market towns such as Ludlow, Hay on Wye, Wareham, and Romsey.

### Case studies – initiatives using local strengths

**Food Fen**, a self help training, research and co-operation group in the fenland area covering 450 businesses with 12,000 employees linked to 2,000 farmers in area where farming and food industries represent 50% of employment.

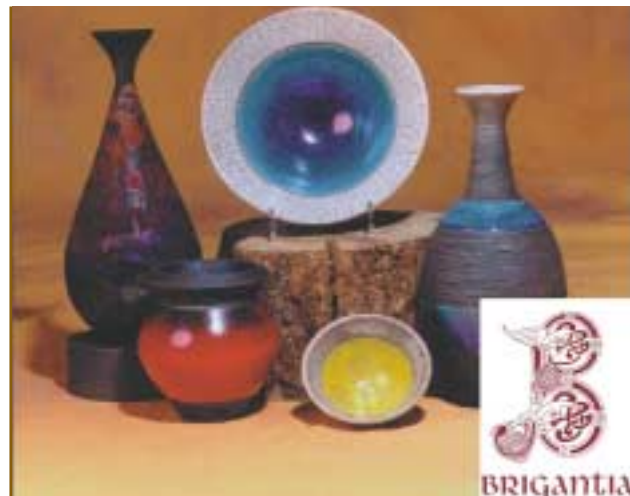
**Brigantia** – a business association to improve co-operation marketing for quality arts and crafts business in the North York Moors.

**Dales Made:** established craft business association, works with its members to build marketing strength, achieve efficiency and growth in an information technology environment. With a retail outlet in Settle, it safeguards 300 jobs in the rural area of North Yorkshire.

## 7.3. Widening the economy in rural areas

**7.3.1.** If market towns and their hinterland are to thrive, their role needs to complement that of neighbouring towns and cities. A thriving countryside means being part of a successful regional economy. That helps rural areas achieve a wider base so as to maintain and create good quality jobs. Some rural areas do well in attracting new business but others suffering job losses in farming, mining or through defence base closures fail to do so. Similarly, some areas are more successful than others in growing small and medium-sized companies, establishing business clusters and encouraging the formation of start-ups. It is from activities such as these that much of the future prosperity of rural areas will spring. Our objective is to promote growth which is in tune with its surroundings and builds on countryside strengths, for example through:

- Developing local advantage in particular trades or specialisms, such as vegetables and food processing in the Fens or small scale engineering in the Midlands;
- Promoting ICT based business potential as in East of England Development Agency's strategic innovation corridors linking new economy businesses in the rural hinterland of its major industrial and research centres such as Ipswich and Cambridge;
- Supporting local business clusters based on links with higher education or local networks in creative or media businesses;
- Supporting and building up local business groups through sympathetic development planning, purchasing local speciality products (for example by local authorities) and supply chain initiatives;



**Raku Pottery from Chan Abbott Studios – part of the Brigantia association which brings together art and craft workers in the North York Moors, Wolds and coastal areas**

Credit: Philip Chan

## Regional Development Agencies

**7.3.2.** To achieve a successful **economic strategy** which will benefit towns and rural areas as well as cities, requires partnership and leadership at a regional level. We have created **Regional Development Agencies (RDAs)** to drive forward economic performance, development and competitiveness, skills development, encourage inward investment, and deliver regeneration within a sustainable development framework. This means working with regional and local partners including the Regional Chamber (who will have endorsed the Regional Sustainable Development Framework) and the Regional

Planning Body if it is not already the Chamber, County and District Authorities, Learning and Skills Councils (see 7.5.8.) and the Small Business Service (see 7.6.2.).

## Rural regeneration

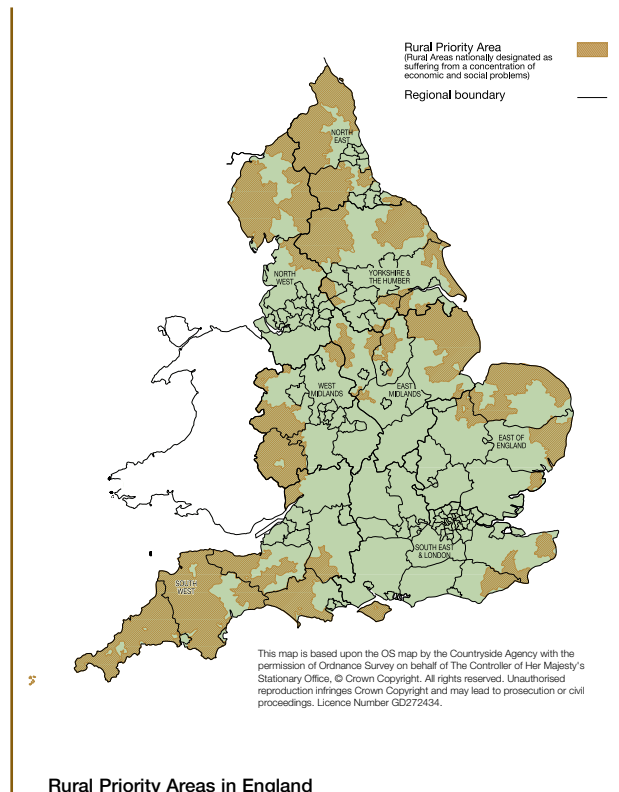
**7.3.3.** Rural, as well as urban, regeneration is one of the key objectives for the RDAs and their programmes will bring substantial benefits across the region through work on training and skills, on ICT and business support, on improving regional infrastructure and on competitiveness generally (see box). Each Regional Development Agency published a **Regional Strategy** in October 1999, analysing the strengths and weaknesses of their region and these take account of the needs and strengths of rural areas and of their differing regional priorities and character (in the south west over 65% of the population in the RDA live in largely rural districts).

### How RDA regional priorities benefit rural areas:

**East of England Development Agency** have identified skill shortages and gaps in the construction sector across the region, but also that much of the sector is rural and as demand continues to grow it has become an increasingly practical alternative to agricultural employment. But to meet projected demand of 8,000 vacancies a year will require an integrated approach to training, mobility and recruitment.

**The North West Development Agency** has adopted a strategic approach to tourism in Cumbria to encourage visitors away from the major honeypot areas such as parts of the Lake District. The development of the major and innovative earth covered 'Rheged' Upland Kingdom Discovery Centre in North Cumbria will create up to 300 jobs in an area suffering from unemployment as a result of upland farming's decline. Visitors are also being encouraged to the western coastal resorts in Cumbria by infrastructure improvements.

**The East Midlands Development Agency**, introduced the concept of creating the East Midlands Food Campus (formerly known as the University for Food) as a means of enhancing the competitiveness of the food industry within the East Midlands through greater collaboration between the educational sector and industry. The East Midlands Food Campus will be a mechanism for delivering the key parts of the Regional Strategy relating to education, skills, research and technology transfer. This will provide the opportunity for business and institutions to influence the profile of the region and may also provide the potential impetus for the region to become recognised internationally as a centre for excellence for the food and related industries. A model has been developed and the Agency along with its partners are currently developing an action plan to take the project forward.



### Rural Priority Areas

At present the RDAs' rural programme spending is concentrated in the **Rural Priority Areas (RPAs)** defined in 1994 as being the areas of greatest need. 1991 Census figures were weighted together with unemployment statistics to create measures reflecting poverty and social exclusion. The RPAs cover about a third of rural England, as shown in the map above. Work will shortly begin to review the areas to ensure they remain a valid guide for spending priorities, and both the RDAs and the Countryside Agency will be involved in the review.

**7.3.4.** A specific task for the RDAs is to help regenerate **deprived rural areas**, focusing currently on the Rural Priority Areas (see box) – the most seriously deprived rural areas. Problems vary from area to area, and each must develop its own solutions. The RDAs presently operate **Rural Development Programmes** in each Area in partnership with local authorities, Rural Community Councils and other key local players depending on the nature of the area covered by the partnership. The partnerships generate projects dealing with a wide range of issues ranging from job creation to workspace, renovation of buildings and better local infrastructure, support for tourism and combating the various aspects of social disadvantage found in rural areas. Together these programmes spend £29m a year. Within this programme we have expanded

the **Redundant Building Grant** scheme to included an extra £4m for farmers. This has been heavily oversubscribed and will continue for another two years.

**7.3.5.** The challenge for the RDAs on rural regeneration projects has been to combine a range of different funding streams to the best effect. For example EEDA's **rural programme** of £1.4m in 1999–00 has leveraged a total programme of £12.8m for Rural Priority Areas in Eastern England. Rural areas have benefited substantially from other RDA programmes. 5–9% of the **Single Regeneration Budget** is currently required to be spent for the benefit of rural areas. (In SRB Round 5 this meant some £70m being directed to rural areas over the programme period and in SRB 6 some £60m). The **Land and Property Programme** funded, for example, work in market towns such as Great Torrington in Devon where, led by a Community Development Trust, refurbishment of a listed pannier market and conversion of a disused hotel has provided a new visitor attraction, 'Torrington 1646', tourist centre, ICT training suite and a better library. The **European Structural Funds** (see annex) will also continue to be a major source of support for rural as well as urban regeneration, and to which the Government – both directly and via local authorities – will contribute considerable match funding during 2000–06. For example this will generate around £300m for rural areas under Objective 2 over this period.



Ripon's historic waterfront showing restored Grade 2 listed warehouse  
Credit: British Waterways

**EU funds for rural community development**

The EU initiative LEADER+ will involve local communities in developing and testing innovative approaches to integrated and sustainable rural development. MAFF has been working closely with national, regional and local partners in developing and implementing this initiative. Following consultation, an England Programme, which will receive about £35m during 2000–06, will shortly be submitted to the European Commission.

**Case study – waterways-led regeneration**

Inland waterways can make a major contribution to rural regeneration. Restoring canals and redeveloping derelict waterside land can provide scope for waterways based rural enterprises and an attractive environment for new development. *Waterways for Tomorrow* sets out the Government's vision for our inland waterways.

An example is the Ripon Canal and waterfront. British Waterways, along with partners including the local authority, private companies, canal society and Environment Agency, have successfully regenerated Ripon's historic waterfront and breathed new life into this area of the historic Yorkshire market town.

A successful restoration of the Ripon Canal in 1997 allowed boats to reach the canal terminus basin for the first time in many years. Sensitive redevelopment of the area around the basin has led to new housing and four business units being established on the site, bringing new jobs and additional prosperity to the local community.

A former gravel pits site has also now been turned into an 80-berth marina.



**Widening Participation – Higher Education Experience.** A joint project between Boston College, De Monfort University and Lincolnshire's Education Business Partnership Team has proved popular with pupils, students and staff alike and has resulted in pupils considering higher education

Credit: City Graphics Partnership

### Working in Partnership

Partnership working is at the heart of rural spending. **In each Rural Priority Area a Rural Development Programme Committee** involves a range of core partners – the RDA, local authorities, TECs, English Partnerships, Rural Community Councils and others as appropriate, such as the Countryside Agency, Tourist Boards, Business Links, and FRCA. Together they are responsible for developing a strategy for the area which identifies needs, opportunities and resources and sets objectives and a framework for action. These strategies are translated into action via three-year rolling operating plans and funding bids which set out specific projects or proposals for tackling issues.

Partnership working is of course not confined to the RPAs, and an example of a wider partnership is provided by the recently created **South Holland Rural Action Zone in Lincolnshire**. This focuses on the local RPA and adjacent rural areas, and aims to attack rural problems in the broad via an approach similar to that used in urban areas by New Deal for Communities programmes. Work will therefore tackle a wide range of issues from poor transport and other infrastructure to low wage levels, skills deficits and agricultural diversification. The breadth of the aims is reflected in the range of partners, who include South Holland DC, Lincolnshire CC, Government Office East Midlands, East Midlands Development Agency, the Countryside Agency, MAFF, Lincolnshire TEC Group, Lincolnshire Health, South Lincs Community Health NHS Trust, De Montfort University, Foodnet and voluntary sector groups.



In the heart of the South Lincolnshire horticultural growing area, Gosberton Bank Nursery has been transformed into the largest supplier of freesias in the UK. Increasingly selling via the internet, their award-winning website – [www.freesia.co.uk](http://www.freesia.co.uk) – has opened up global markets

Credit: City Graphics Partnership

**7.3.6. Regional Development Agencies** have agreed a new rural remit as set out below.

- **We are asking the RDAs to take forward the implementation of the policies set out in this White Paper** as a key component in the updating and development of their Regional Strategies and Frameworks for Action.

### A new rural vision for the Regional Development Agencies

The RDAs' primary aim for rural areas is to ensure a dynamic local economy and vibrant communities able to respond to changes in traditional industries such as agriculture and mining and to contribute positively to the regional and national economy. RDAs will work with local and regional partners to:

#### Help rural business through

- Raising the level of new business formation in remote rural areas and diversifying the economic base by stimulating innovation and competitiveness;
- Increasing the number of rural product and speciality food businesses; stimulating rural tourism and adding value to rural products and services through further processing or via regional and sub-regional branding, marketing and promotion;
- Developing better business to business links by stimulating the use of Information and Communications Technology.
- Ensuring that the Small Business Service (SBS) providers are equipped to respond to the specific needs of rural small business.

#### Create viable rural communities and better links between town and country through

- Identifying and taking action to address rural deprivation
- Delivering a programme of strategic market towns regeneration;
- Improving service delivery, encouraging multiuse facilities and innovative service delivery;
- Working to remove barriers to business creation and survival;
- Providing improved access to education, training and retraining opportunities to enable rural communities to update their skills and adapt to change;
- Improving transport links between urban and rural areas.

#### Encourage sustainable development through

- Recognising the value of the environment as an economic asset to be used sustainably;
- Ensuring development is appropriate and occurs in areas which are able to support it;
- Supporting sustainable best practice through funding, example and guidance.

## Future funding of Regional Development Agencies

**7.3.7.** The RDAs are now being given even more scope to boost their regions economies. In the *Spending Review 2000* we have announced a commitment to boost their overall funding over the three years from April 2001 and give them much greater freedom on how to achieve their regional strategies. A single budget will now be created for the RDAs from 2002. **The RDAs currently receive £1.2bn a year. This will rise to £1.7bn a year by 2003–04.**

**7.3.8.** Following the *Spending Review 2000*, the RDAs will also operate the **Regional Innovation Fund** which will benefit rural as well as urban areas. The RDAs will have £50m per year between them to promote innovative activity in their regions. This will encompass the existing **Innovative Clusters Fund (ICF)** which aims to help business do better as part of a cluster of interdependent firms, particularly through transfer of ideas and sharing a common labour pool.

- **We are supporting several clusters which focus wholly or partly on rural areas.** For example, a Food Technology Transfer Centre and an Organic Demonstration Farm, both in Cornwall, are featured in the South West of England Development Agency's business plan for cluster development, submitted in response to the DTI's initiative. The allocation for the second year is now under discussion with RDA chairmen, and we expect further rurally-based proposals to come forward, in accordance with the priorities identified in the RDAs' Strategies.

**7.3.9.** We have created a **new Phoenix Fund** of over £100m. The Fund is aimed at helping promote enterprise in disadvantaged neighbourhoods and groups, including those in rural areas. Financial assistance is going to the Business Volunteer Mentoring Association (BVMA), Community Finance Initiatives and a wide range of innovative projects which encourage entrepreneurship as a means of tackling social exclusion.

**7.3.10.** Financial assistance for small businesses with growth potential at the lower end of the risk capital market will be boosted through the Government's provision of £180m to the **Enterprise Fund**, which included continuation of the Small Firms Loan Guarantee Scheme, and the development of the new Regional Venture Capital Funds in each of the English regions. A further £100m to develop the risk capital market was announced in the March 2000 Budget.

## Case study – DALE – Dales Action for Local Enterprise

This pilot project looks specifically at the issue of rural disadvantage faced by young people in remote areas who lack job and business opportunities and, as a result, find it hard to either remain in rural areas, progress within them, or find a voice or role in the wider community.

### The Project

- The project builds on a Prince's Trust model to provide outreach and support for a new initiative in the Yorkshire Dales National Park, targeted at 18-30 year olds, and providing grant and loan support for business start-up.
- The emphasis is on industry/business that is particularly suited to or sustainable in rural areas, and on businesses that grow out of rural area activity.
- Reflecting its remote rural base, the project includes local and non-Dales business mentors, and setting up a Dales Youth Business Forum and providing a virtual business park.
- There is a bespoke training package focussed on the business problems encountered in rural areas and IT support and facilities provided to each new business.

### The Objectives

- To pilot approaches to tackle underemployment and unemployment for 18-30 year olds in remote rural areas.
- To reduce the drift of population away from the area.
- To address the lack of local access to information about, and support for, new employment/business initiatives.
- To provide peer group support
- To provide capital for micro-business start-up.
- To raise possibly low aspirations about ability and potential of business sector.

### Funding and Outputs

- The project has been set up for five years from 2000, with the first three years funded by the Prince's Trust, the Countryside Agency, Yorkshire Forward, European grant aid and private sector support from Lockheed Martin and Scarborough Property Group.



A sketch of Semerwater from above Ellerkin, North Yorkshire by Tim Slatter, a young artist helped by the Prince's Trust Dales Project  
Credit: © Tim Slatter

## 7.4. A key rural industry: tourism

**7.4.1.** Tourism income is fundamental for the rural economy and has played a central role in revitalising many small towns and their surrounding areas and there is considerable potential for further growth. In its report PIU noted that expenditure by visitors to the countryside supported 380,000 jobs across rural England and underpinned 25,000 usually small, tourism businesses, including around 40% of England's total accommodation stock. Day visitors are estimated to spend £8bn in the English countryside in a year.



St. Elgin, North Frodingham, East Riding of Yorkshire. One of rural England's 10,000 medieval churches – outstanding art and architecture which attracts visitors worldwide – as well as a vital base for community services. The Government is acting to reduce VAT on repairs and maintenance (3.2.4).  
Credit: The Countryside Agency

**7.4.2.** The benefits of tourism, however, are spread unevenly across the country and through different seasons. In a few popular areas there are adverse effects from the high number of visitors. Future potential is likely to reflect growing demand for taking more short breaks (of less than four nights), seeking distinctive experiences rooted in local and regional culture, enjoying more specialist activities and demanding higher quality accommodation and tourism services. Tourism can also help other rural industries. Businesses who provide eating and catering services for tourists are well placed to promote regional food and drink products, benefiting local food producers, as well as improving the interest of an area to visitors.

**7.4.3.** As set out in *Tomorrow's Tourism* our strategy is to: provide the right policy framework for sustainable tourism to flourish – for example, by creating the English Tourism Council to provide strategic leadership for the industry; to support promotional activity to develop and spread quality – for example, by launching new harmonised quality ratings for hotels, guest accommodation and holiday parks; and to encourage sustainable growth in tourism through a wider spread of tourism related development and projects including developing a new strategy to regenerate traditional seaside resorts.

**7.4.4.** We are looking to **the Regional Development Agencies and Regional Tourist Boards to develop joint tourism and recreation strategies**. Many are already doing so. For instance, Yorkshire Forward and the Yorkshire Tourist Board have jointly led the development of the new Yorkshire brand, which was launched in June. Regional Planning Bodies also have a role to play in helping to ensure that these strategies are sustainable and in their subsequent implementation. To follow up the national strategy in *Tomorrow's Tourism* we think there is a need for a strategy in rural areas. We believe that such a strategy is necessary to improve the quality of the visitor experience and increase income and employment, while at the same time enhancing the quality of the environment and spreading the benefits of tourism throughout rural communities.

- **The English Tourism Council and the Countryside Agency will produce a joint rural tourism strategy in 2001**, to provide a clear focus for national, regional and local action. It will consider:
  - Creative promotion of rural tourism products and destinations, to increase awareness of what rural England has to offer amongst overseas and domestic visitors.
  - Action to bring out the distinctiveness of different rural areas and encourage more visitor spending to be retained locally, such as through the promotion of local produce.

- Better advisory services and training, backed by research, to help existing and potential businesses understand more clearly the market opportunities and avoid over supply.
- Greater co-operation between rural tourism businesses, to assist joint marketing and the sharing of good practice.
- Sound management of rural destinations, including improving visitor information, encouraging alternative means of transport, and reflecting the special roles of market towns and protected areas.

**7.4.5.** We are considering the extent to which our current **planning guidance** that affects rural tourism needs revision. We are about to consult on revisions to our *planning guidance on sport and recreation (PPG17)*. We will shortly be publishing a research report on planning for leisure and tourism and in the light of the debate on its findings we will decide whether our planning guidance on tourism needs revision.

#### **Tourist charges**

A more difficult question raised in the *Rural Economies* PIU report is whether tourists should be asked to contribute directly to local economies through some form of tourist tax or other payment, particularly in the so-called 'honeypot' areas which attract large numbers of tourists. **Voluntary charge schemes** are already used in hotels and restaurants around the country. For instance, almost 100 Cumbrian hotels and caravan parks raise money for the Lake District Tourism and Conservation partnership by adding an optional £1 to tourists' bills. The partnership funds local environmental protection projects such as footpath repair and woodland management. The PIU report suggested extending visitor charging schemes on a voluntary or mandatory basis. The Government considers it right to maintain the present voluntary approach, rather than introducing new legislation which could be complex and burdensome.

## **7.5. Dealing with distance and raising skill levels**

### **Information and Communications Technology (ICT)**

**7.5.1.** ICT is already playing a central role in widening the economic base in rural areas, enabling the smallest business to market globally with potential environmental benefits as travel needs are reduced. But the ability of rural businesses to take advantage of the new opportunities is currently limited by poorer communications infrastructure in rural areas and particularly the

absence of broadband (see box) together with a low level of awareness and lack of relevant skills. There is also a need to manage potentially undesirable **impacts** of ICT such as the need for new radio masts to deliver mobile telephone coverage.

#### **What is Broadband?**

Broadband is a service or connection allowing a considerable amount of information to be conveyed. It is generally defined as a connection capable of delivering data at speeds of 2 megabytes per second (2MB/s) or faster, the minimum bandwidth necessary to deliver real time video. Consumer services needing broadband connections include high speed internet access and video-on-demand. Businesses may need broadband connections for a variety of data transfer functions. Broadband communications networks will increasingly become available through land based cables (BT and cable), wireless access, and third generation mobile telephones. Satellite systems are also being developed and terrestrial and satellite digital TV systems will provide certain types of interactive services at high speed.

**7.5.2.** The Government will stimulate and promote industry investment in higher bandwidth services so that as many people as possible can get faster access to the internet and other information services. But the market alone will not deliver affordable high-speed connections to all rural areas. We will therefore work through the development agencies in the regions, and in Northern Ireland, Scotland, and Wales to develop effective strategies for the rollout of higher bandwidth services in rural areas, taking full advantage of public sector investment and the opportunities, in some regions, to obtain EU funding. Other stakeholders will also be involved, to ensure that access to broadband services reaches as widely as practicable. **We will ask the Countryside Agency to monitor the rollout of broadband in rural areas, and we will take this into account in developing policy.**

**7.5.3.** We are also examining the case for requiring the communications industry to make higher bandwidth services available universally, as they already do for telephone services. The case for such a Universal Service Obligation (USO) to ensure that everyone has access to more rapid digital services may become more compelling as rollout of these services accelerates and as more of the services necessary for full participation in modern society, particularly public services, are delivered electronically. However, neither we nor the European Commission think it would be right to take such an initiative at such an early stage in the rollout of higher bandwidth services. **If the market fails over time to deliver a reasonable level of broadband in rural areas, then we will revisit our position on the Universal Service Obligation in this light.**

- We will encourage **RDAs** to include plans within their **ICT strategies** to ensure that rural businesses have adequate access to training and business advice on ICT (perhaps through rural ICT access centres) and that the rural workforce has the requisite skills drawing on work of the new Small Business Service and Learning and Skills Councils;
- We aim to provide an **Electronic Rural Portal** for farming (as announced at the Farming Summit at No 10 Downing Street on 30 March 2000). This will provide a first-stop shop access to information and interactive advice for farmers, the public and businesses generally. The design will be sufficiently flexible to broaden the service to become a full rural portal in due course. Subject to the outcome of the current feasibility study, expected shortly, it is anticipated that a prototype will be developed by early-2001. A fully interactive site, enabling farmers and others in the rural community to undertake a range of electronic transactions with government and private sector bodies, is expected to be developed by end-2002. MAFF has committed to making all CAP scheme forms available electronically by 2002. The study will draw upon experience gained from the CLICK Project.

### Case study – connecting up farmers

**CLICK** (Connecting to the Local ICT Centre at Kington) is a pilot project in Kington, Herefordshire, to link farmers and their families to existing IT facilities which was announced as part of the Farming Summit package. The pilot scheme targets around 100 farmers, some with and some without PCs, and aims to encourage farmers and their families to gain access to ICT and the necessary skills training in its use. By electronically integrating all the information already held by MAFF about the farm, farmers are beginning to reap the benefits of time saving in making claims. It is hoped that this will expand with further marketing initiatives for farmers in the near future. The project is being developed by MAFF in partnership with Advantage West Midlands (RDA) and the Kington Connected Community Company ([www.kc3.co.uk](http://www.kc3.co.uk)) which has IT facilities in Kington, and has the support of the Government Office West Midlands and the Countryside Agency. More information about the project and a chance to see how it works can be found on [www.click.maff.gov.uk](http://www.click.maff.gov.uk)



David Forbes of the Titley Court Farm, who has benefited from the CLICK scheme

Credit: KC3

### Transport Infrastructure

**7.5.4.** Physical isolation and poor access can be a barrier to the growth of rural economies. Chapter 6 describes the measures we are taking to improve transport within rural areas. But the Government's new £180bn *10 Year Plan* for transport will also help improve the links between many rural areas and other parts of the country. The substantial increase in funding to modernise our national transport networks will improve road and rail access for both passengers and freight, bringing direct benefits for rural economies.

**7.5.5.** Among the benefits we expect to see as a result of the 10 Year Plan are:

- A major programme of investment in the road network, with targeted improvements at bottlenecks and junctions, widening schemes, by-passes and better maintenance and traffic management, resulting in reduced congestion despite traffic growth;
- Increased capacity and improved services on our railways, resulting in a 50% increase in passenger numbers and an 80% increase in rail freight volumes;
- Improved access to ports and airports, and to areas in need of regeneration.

**7.5.6.** Past under-investment has brought **local roads** to their worst condition for 30 years. Sufficient additional resources have been provided through the 10 Year Plan to halt the deterioration by 2004, and eliminate the backlog by the end of the Plan period. This will be of particular benefit to rural roads where condition has been below standard for long periods.

**7.5.7.** Funding will be directed to regional and local priorities through the new Regional Transport Strategies and statutory Local Transport Plans. The 10 Year Plan will also provide the resources to implement the findings of the programme of Multi-Modal Studies, which is currently looking at some of our most important transport corridors, such as the links between London and the South West (see box).



### Improving Access to the Southwest

The London to South West and South Wales Multi-Modal Study will be looking to find solutions to strategic transport problems along this key transport corridor. For the first time, we will be examining access to and from the South West peninsula along the main routes from Bristol and London. The aim of the study is to reduce delays, reduce journey times and improve the reliability of both rail and road travel.

Access to the rural counties of Devon and Cornwall is constrained by congestion at a number of motorway junctions, and by the single carriageway sections of the A303, where safety is a particular problem. There are problems of capacity on both the rail routes to the South West. The study is looking at the need for improvements on the A30, A303 and A38, at ways of reducing congestion on the M4/M5, and at increasing the capacity of the parallel rail routes from London to Penzance and Waterloo to Exeter. It will also examine the impact of tourism on these key routes, and will recommend action plans to reduce the impact of seasonal traffic whilst safeguarding both the local and regional economies. The study will also focus on the freight needs of the area.

### Road haulage

**7.5.8.** Businesses in rural areas including farmers face higher transport costs and will benefit from the measures affecting hauliers announced in the Pre-Budget Report 2000, reducing Vehicle Excise Duty, introducing a freeze on fuel duties and cutting the duty on ultra low sulphur diesel. For example, the reforms to lorry VED will generate around £265m benefit to the haulage industry this year and around £300m from next year.

- The measures announced in the Pre-Budget Report 2000 represent a cost reduction of £750m annually for the road haulage industry and this will benefit the competitiveness of rural economies.

### Action to raise the skills base

**7.5.9.** Education and training are one of our major priorities for the country as a whole, rural as well as urban, and we are establishing a national network of Learning and skills Councils in April 2001 (see annex) to streamline the delivery of post 16 education and training. Our aim will be to ensure that the new councils (which will work closely with the RDAs) take full account of rural needs and the special problems of rural areas.

- **We will ensure that rural users are included in rural Local Learning Partnerships** in which local organisations and individuals help to meet the skill challenge, improve standards and increase participation;
- **The plans of Local Learning and Skills Councils will consider the needs of those who have difficulty in accessing learning opportunities (including travel difficulties).** This will be particularly important for rural areas. Resources for access funds have been greatly increased. LSCs will have discretionary funds to support new initiatives and pump-priming for small projects.

**7.5.10.** Farmers will be eligible for training through the England Rural Development Programme (see 8.3.4).

### Improving business skills in rural areas

The PIU report identified a particular need to develop business skills in rural areas. The **University for Industry (Ufi)** concept, which will become fully operational under the brand name **learndirect** in autumn 2000, will have a particular role in overcoming barriers to learning including the problems of sparsity and distance which are relevant to rural areas. Ufi will open up access to learning through brokering high quality on-line learning products and services and will make them available at home, in the workplace and at **learndirect** learning centres nation-wide.

Ufi, which already has a remit in the area of SMEs, has decided that there is a general lack of learning in the area of business skills among SMEs. Ufi intend to concentrate on developing appropriate business materials to target this market and make them available through flexible delivery mechanisms to improve access. More than 60% of Ufi learning materials, under the brand name '**learndirect**', will be available on-line during the autumn. This figure is expected to rise to up to 90% by 2003.

**Ufi and its network of learndirect centres will work closely with Business Link allowing people to both access and continue their learning opportunities from home, in the centres or even at work.**

### 7.6. Helping rural businesses to succeed

**7.6.1.** Small businesses continue to be the main enterprises in rural areas and we will support them and the start up of new businesses through better advice and support; cutting unnecessary red tape; and other initiatives to encourage enterprise and innovation such as rural rate relief and RDA enterprise funds (see paragraph 7.3.9.). **The annex sets out additional sources of funding and advice for small business in rural areas.**

## Improving business advice and support

**7.6.2.** The new **Small Business Service (see annex)** is setting up a new network of customer focused Business Links which will place a greater emphasis on micro-business than before. The Countryside Agency has taken part in the process to set up the network, in particular, looking at how the organisations which are running outlets with rural areas in their catchment give access to their customers. New communications technology will help provide advice in the remoter rural areas, and the Small Business Service, along with the Regional Development Agencies and Learning and Skills Councils will work to encourage educational institutions to develop the take up of IT.

- **The Small Business Council (SBC)** has been established to advise on the needs of small businesses and the effect of the activities of Government on existing and potential SMEs. **The SBC is considering setting up a Rural Issues sub-group.**
- **To help farmers and growers respond to changing market demand and changes in their industry the government is providing, through Business Links, tailored business advice.** The service will include an initial health check of their business and the production of an Action Plan. This will help them develop better business practices and take strategic decisions about the future of their business which could include diversification or leaving the industry. They will then be helped to access other sources of advice and support. The service was launched on 10 October 2000 and will continue until 2004 providing up to **£21m of advice allowing 15,000 farmers to benefit.**

### Case study – North and Western Lancashire Personal Business Adviser

A rural Personal Business Adviser (PBA) is working with agricultural and non-agricultural clients in North and Western Lancashire to enable them to develop opportunities for diversification and growth. In addition to building a continuing client working relationship the Rural PBA acts as a central point of contact for all Partner services such as the North West Tourist Board, European Assisted Initiatives and Local Authorities as well as the services available from the Business Link. Through the work of the Rural PBA a Business Support Centre is being set up in Garstang to offer counselling for start-ups and for farmers wishing to diversify. Particular success has come from working with planners and rural businesses through planning surgeries.



**North and Western Lancashire Rural Business Advisor Beryl Smith with client Neil Anderton**

Credit: Business Link – North and Western Lancashire

## Better regulation and less red tape

**7.6.4.** We are committed to minimising regulatory burdens on small businesses in order to help them realise their potential. For example we are preparing legislation to modernise our liquor and public entertainment licensing laws and considering how to streamline the fire safety legislation. Both should help rural business. Chapter 8 (section 5) sets out the action we are taking on regulation of the farming industry including a review of environmental legislation

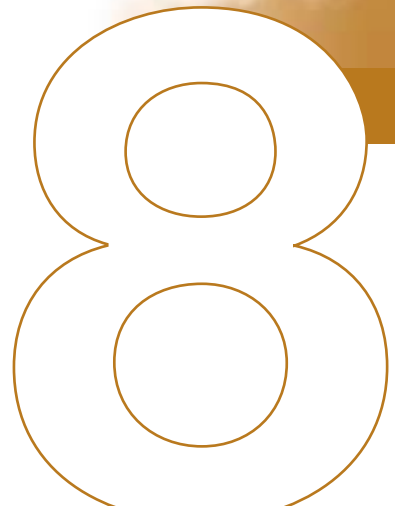
**7.6.5.** One of the key tasks of the Small Business Service will be to focus on cutting red tape – eliminating unnecessary regulation, minimising the burdens imposed by necessary regulation, such as encouraging higher standards of enforcement and, making sure that the interests of small firms are properly considered. **We have also set up a panel which will call Ministers to account for their performance on minimising regulation.**

## Rate relief

**7.6.6.** Many small businesses in market towns and other rural areas occupy premises with lower rateable values, including non-agricultural businesses on farms. These would all benefit from our proposals for rate relief for all small businesses.

- **We are consulting on proposals to reduce the rating burden on small businesses in the Green Paper *Modernising Local Government Finance*.** We propose that relief of 50% would be available to small businesses occupying properties with rateable values less than £3,000. This would be gradually reduced so that 20% relief would be available to small businesses occupying properties with a rateable value of £6,000 and no relief would be given to properties with a rateable value above £8,000. In the current year this would amount to a saving of £624 for a business with a rateable value of £3,000; and a saving of £492 for a business with a rateable value of £6,000.

# a new future for farming



## Key issues

- Farming is going through its most difficult period since before the Second World War. Farm incomes have fallen by around 60% over the past five years. No sector of farming has been unaffected.
- Some pressures common to all sectors of the economy: the problems of competing in an increasingly global and more competitive market; the need to meet ever more sophisticated consumer tastes and preferences; and the challenge of new technology and new ways of buying, producing and selling.
- Other pressures specific to farming: a long and deep international slump in commodity prices; falling sterling support payments due to the weakness of the Euro; and the devastating impact of the BSE crisis, not only for the beef industry but also for other parts of farming.
- Growing demands to manage the countryside so that its beauty and richness are enhanced rather than damaged.

## The future – what we want to see

- Farming's main task will still be to produce the food we eat.
- But farming will be more forward-looking, competitive, and flexible, more capable of responding quickly to market changes and new consumer demands.
- An increasing recognition of the role which farmers and land managers play in maintaining an attractive and diverse countryside and in sustaining the wider rural economy.
- Many more farmers will turn a positive approach to the environment to their own economic advantage, with payments for environmental 'goods' that the nation wants – flourishing wildlife, living landscapes, a protected heritage and opportunities for leisure.
- The growing market opportunities for sustainable products will enable the production and environmental functions to be combined via the marketplace for an increasing proportion of the industry.
- There will still be room for large and small farms, full-time and part-time businesses. But farms – including entrepreneurial family farms – will be more diverse in terms

of structure, business organisation and the mix of agricultural and non-agricultural activities.

- Farmers will take up opportunities to learn, develop and exploit new skills and new techniques.
- Government and industry will continue to work closely together to meet these challenges: to get away from the cycle of short-term crises and become again what farming should be – a world-class industry in a world-class setting.

## Summary of measures

The *New Direction for Agriculture* includes:

- Pressing for further reform to the Common Agricultural Policy
- Help for specialist abattoirs
- Launch of joint government/industry taskforce to look at the costs of inputs to farming
- Joint studies of efficiency of key sectors
- The launch of the £1.6bn, 7 year England Rural Development Programme which includes:
  - More help for marketing, skills and enterprise;
  - Additional funding for agri-environment schemes;
- More help for farm business diversification, including:
  - Clearer planning guidance and advice
  - Consulting on rate relief for diversifying farmers
  - Grants for non-food crops, woodland and diversification
- An additional £4m Redundant Building Grant for farm diversification;
- Removing unnecessary regulatory burdens.

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### 8.1. Introduction

**8.1.1.** Farming is important. It supplies most of our food. It directly employs around 600,000 people (including seasonal and part-time workers). It contributes £7bn each year to the UK economy. It is and will continue to be the bedrock of a UK food chain worth £57bn each year and 3.3 million jobs. Farming has defined most of the landscape and shaped its diversity.

**8.1.2.** Farming communities have created the fabric of our rural life over centuries, and in many areas still maintain it. Our countryside and the environment we cherish still depend on our farmers. Farming is not the same as the countryside, but rural life and the rural environment as we know it would not exist without farming.

*“There’s also the countryside and the issue of who is going to look after this vast area if people are not actually making a living out of it. And that concerns me greatly, because it’s a very beautiful country that we live in, and on the whole pretty well maintained.”*

**8.1.3.** The economic crisis in farming has been very painful and it is not over yet. It is bringing about major restructuring in the industry. Many farmers have left the industry. The number of workers employed in farming has fallen significantly. The trend towards bigger farms has accelerated.

*“We have five farms within the village and each farm has one or two people, but it’s all father and son – there isn’t a single employee now from outside.”*

**8.1.4.** We believe that farming must emerge stronger from this crisis. We accept that the industry cannot achieve this by acting alone. But nor would it be right for the Government solely to direct and manage the way forward. For the past year, the farming industry and the Government have been working together on a new direction for farming which meets the challenges the industry faces, and which defines the right roles for industry and for government. At the heart of this new direction is a vision of agriculture for the future. It is set out above, and in more detail in our *New Direction for Agriculture*, published in December 1999, and the *Action Plan for Farming* launched by the Prime Minister in March 2000.



**Nettleton Top, Lincolnshire Wolds**

Credit: Countryside Agency, Simon Warner

**8.1.5.** The Action Plan identified more than £200m of new aid, directed not only to short-term relief, but also to industry restructuring and other longer-term action on marketing, diversification, training and removing regulatory costs and burdens. It was a new partnership between the Government and the farming and food industries. A majority of its 60-plus measures have already been implemented by the Government.

**8.1.6.** As well as implementing the *March Action Plan*, we are committed to identifying new action to achieve the farming strategy and vision drawn up with the industry. The recent Spending Review will provide a further £300m over the next three years to continue and develop the measures in the Plan. An Industry Forum chaired by the Minister of Agriculture, Fisheries and Food is giving strategic direction to this work.

8.1.7. To maintain momentum on the farming strategy:

- Our aim remains radical reform of the Agricultural Policy;
- We will undertake national strategic initiatives to make farming fit for the future;
- We will put new emphasis on marketing, skills and innovation;
- We will support new opportunities to diversify;
- We are committed to regulate only when it is really necessary, and to remove burdens that are not justified.

## 8.2. Strategic action

### Reform of the Common Agricultural Policy

8.2.1. The Government pays £3-3.5bn in the form of EU and domestic support to UK agriculture each year.

- **Over the period 1997–01 farmers will have received a total of £629m in aid to offset the effect of exchange rate movements.**
- **On top of this, we have in the past two years agreed additional aid packages worth £235m.**

8.2.2. The industry recognises that subsidy and aid by themselves are not the answer. Indeed, much of the EU Common Agricultural Policy (CAP) still acts against the new vision and direction we are seeking. Subsidies which simply reward production have damaged the countryside and have stifled innovation. A complicated bureaucracy has created expensive surpluses of basic products and has prevented farmers from responding to what consumers really want.

8.2.3. The Government will therefore continue to lead the drive to reform the CAP. Last year's *Agenda 2000* reforms were a substantial step forward. Its price reductions will reduce the annual food bill for a family of four by around £65 a year. Its reforms will further direct agricultural support away from production subsidies towards measures which deliver environmental benefits.

8.2.4. But more still needs to be done. The CAP must be further deregulated so that agricultural production can adapt to a competitive world market. Production quotas which prevent farmers from responding to the market must be removed. The CAP must respond to external pressures too. In a few years we will have an expanded EU with up to twelve more member states and a total population of 500 million people. Without CAP reform, the budgetary consequences would be unsustainable. Negotiations have also begun on liberalising agricultural trade in the World Trade Organisation. This will open up new markets as well as exposing us to greater competition. An unchanged CAP will simply hand the advantage to our competitors outside Europe.

**Our aim is progressively:**

- **To move towards a CAP which encourages farmers to be more competitive and responsive to market signals so that they can make a good living while at the same time following practices which conserve and enhance the landscape and wildlife; and**
- **To move environmental and social goals closer to the heart of agricultural policy alongside its economic objectives.**

### Re-directing agricultural support to improve, not damage, the environment

8.2.5. The Government recently secured EU approval for the England Rural Development Programme (ERDP) which includes a major switch of CAP funds from production aids to support for the broader rural economy. We will spend £1.6bn by 2006 – around 10% of total support for the agriculture industry – on measures to advance environmentally beneficial farming practices as well as on new measures to develop and promote rural enterprise and diversification, and better training and marketing.

- **Within the ERDP, the Government is more than doubling the amount to be spent on agri-environment schemes, including the Countryside Stewardship and Organic Farming Schemes, and Environmentally Sensitive Areas.**

8.2.6. These schemes, together with farm woodlands schemes, are vital to biodiversity. They also provide important income-generating opportunities for farmers. The additional resources will mean that many more farmers can participate over the coming years. Part 3 of this White Paper provides more on farming's role in our landscape and biodiversity objectives.

*"What we get to walk on and play with, that made us move here, is what farmers have managed."*

*"Down our way they've started setting hedges again"*

### Case study – integrated sustainable rural development

**The Bowland Initiative** aims to test **how agriculture, business and environment objectives can be made to work together** as a potential model for the future of rural policy in the uplands. It is one of two such experiments – the other is in Bodmin, Cornwall.

Bowland is an Area of Outstanding Natural Beauty (AONB), and most of the area is designated as a Special Protection Area under the EC Birds Directive, being very rich in wildlife.

The project combines business and environmental planning, provided by a dedicated project team and supported by a broad partnership of Departments, agencies and NGOs. Farmers and others receive expert help and aid for business developments, on condition that they also have an environmental audit of the holding, with a view to taking up appropriate environmental or woodland schemes, and to dealing with any environmental problems identified. In return, the project staff offer the farmer a streamlined package, preparing application forms on their behalf and negotiating funding from various sources. Schemes might include redundant building conversion, woodland planting, diversification into livery or accommodation (with associated training), hedging and walling, meadow management, river bank protection, upgrading farm pollution control equipment, and training for off-farm employment. One-third of all farms in the area (150) have become involved. Broader initiatives to help develop the Bowland economy and meet environmental and social goals at the same time have been developed: farmers, local abattoirs and auction marts are collaborating in a **Bowland Beef and Lamb** marketing Initiative. There is also a project by which local hotels and guesthouses will collect visitor contributions to a '**Bowland Environment Fund**', to support small-scale environmental work on farms and in villages.



**Bowland Fells**

Credit: Countryside Agency – Mike Williams

### Strategic action at national level

**8.2.7.** Although much of the economic and regulatory framework is European, we will tackle key strategic issues affecting the structure and efficiency of the industry. These include developing a clear vision of how key sectors, such as the dairy industry, will develop in the future, and can exploit likely changes to the CAP. We also need to ensure that we protect essential infrastructure which will support farmers diversifying and expanding into new and added-value markets.

- **We will target help for small and medium sized abattoirs.** Many small and medium-sized abattoirs are threatened by over-capacity and competitive pressures in the industry. We recognise that some of these abattoirs play an important role in remote rural areas, and in preparing meat for specialist markets (eg organic meat, specialist breeds and farmers' markets). **We are providing new, additional aid (worth £8.7m in 2001–02) in respect of meat inspection costs to help secure the future of small and medium-sized abattoirs.**
- **We will establish a new government/industry task force to look at inputs to farming.** This will examine the industry's concerns about the costs of key inputs (eg of machinery, agro-chemicals and labour), review their impact on farming businesses, and identify measures to ensure their optimum use and reduce costs.
- **We will set up joint government/industry studies of efficiencies in key sectors.** A working group comprising government, producer, processor, and retailer representatives will be set up to explore how to improve efficiencies in the milk and dairy supply chain. It will look at reducing the wide differences in performance within the sector, and how the industry can best prepare for a market beyond EU quotas. It will also explore ways of ensuring that the UK better exploits the strong demand for value-added products. If the initiative is a success, other sectoral studies will follow.
- As set out in chapter 13, we will introduce **new regional rural sounding boards** in which farmers and other rural interests will be able to make government better aware of their concerns, ideas and proposals.
- We will **provide the resources required to offset the EU reduction in support for the School Milk Scheme.** This will be worth about £1.4m in a full year.

- The Government announced in the **Pre-Budget Report 2000** that subject to consultation, particularly with the National Farmers Union and the police about ensuring that controls over insurance, maintenance and theft will remain, **Vehicle Excise Duty on tractors** will be abolished, saving farmers £40 a year on each vehicle. Farmers, for whom haulage and motoring costs are also a key input, will benefit from measures on VED and fuel duty as referred to in 7.5.8 and 6.3.1.

### Climate change and farming

In March 2000, the Ministry of Agriculture, Fisheries and Food published a review of the potential long-term impact of climate change on UK agriculture.

It concluded that:

- For arable crops, the range of current crops will move northward and marginal crops such as maize and sunflowers may increasingly penetrate southern UK; new crop varieties may need to be selected;
- In horticulture, crops will be more susceptible to changing conditions although beans, onions and sweetcorn production will benefit;
- Livestock production is unlikely to change significantly, although increased heat stress and disease transmission may be a problem for intensive systems;
- Weeds will be able to evolve more rapidly in the higher temperatures and the type of pests and disease confronting farmers may alter and pests such as colorado beetle may become a problem.

## 8.3. Marketing, skills and innovation

**8.3.1.** Many farmers are already taking advantage of better marketing, new skills and innovation. They are making use of integrated crop management and organic farming, and are getting closer to their customers through farmers' markets and other channels.

**8.3.2.** The Government believes that there are still huge opportunities for agriculture in better marketing, training and innovation. For example, the UK applies animal health and welfare standards that are among the highest in the world. We must make these a point of distinction and market on quality. Similarly, on training, there are also huge opportunities for farming in the knowledge-based economy. And new methods of co-operation between farmers and others in the food chain can bring various benefits. The resulting economies of scale can generate lower costs, of production, inputs and professional expertise. Co-operation can also help farmers to guarantee the continuity and quality of products to their suppliers.

**8.3.3.** The Government can help in various ways on marketing, training and innovation. It can bring different parts of the food chain together and can provide financial aid to kick-start initiatives.

**8.3.4.** Our help will include:

- **Marketing grants:** the *ERDP* will provide both capital grants to develop new processing and marketing facilities for farmers, and non-capital grants to encourage the marketing of high-quality agricultural products. The Vocational Training Scheme under the *ERDP* will include grants for training in marketing and improving business skills, information and communication.
- **Tailored business advice for farmers** (see 7.6.2). Farmers are also eligible through the *ERDP* vocational training scheme to help them modernise and improve their agricultural, horticultural and forestry holdings. There will be an emphasis on sustainable and environmentally-sensitive practices. The onus will be on farmers, where appropriate in groups, to put forward projects designed to meet their own needs. We are also funding £1.8m of advice through LANTRA (the national training organisation for land-based industries) to help farmers identify how they can best make use of this *ERDP* support.
- A stakeholder seminar on **e-business** in the countryside. This will help bring together progress on a number of e-business initiatives driven forward by MAFF since the farming summit in March 2000.
- The Countryside Agency will be taking forward its new **'Eat the View'** programme to increase consumer awareness of the links between the products they buy and the countryside they value, to improve the marketing of local and regional products, and to enhance the environmental quality and diversity of the countryside while delivering real benefits to the rural economy. The Agency's aims include, by 2004, doubling consumer awareness of the impact of their purchasing decisions on the countryside, and helping 300 producers find new markets for local produce through direct selling and trade partnerships.
- **MAFF's organic farming scheme** increases the help for farmers to convert to organic production – see 10.3.12.

In addition:

- Around £5m has been allocated this year under the new **Agriculture Development Scheme** (ADS) to help farmers and growers improve their marketing. Examples include projects to help farmers meet the specifications set by the major caterers, and establishing Assured Food Standards to co-ordinate and drive forward farm assurance schemes.
- **MAFF is working with the NFU to encourage farmers to come together to market their produce.** MAFF and the NFU have mounted joint exhibits at five major agricultural shows this year.



Single Gloucester cheese is under EU legal protection: Gloucestershire farms producing the cheese must have a herd of registered Gloucester cows on the farm. Single Gloucester is sometimes known as 'hay cheese' because in years gone by the cheese was made in the winter months when the cows were feeding on hay. It is now produced all the year round in an effort to satisfy the ever increasing demand

Credit: The Countryside Agency

- **Promotion of speciality and regional foods.** Through Food from Britain we are helping to develop the speciality food industry, including regional food groups such as 'A Taste of the West' and 'North West Fine Foods', so that local speciality food producers can maximise opportunities to market their produce. A new e-commerce 'shopping mall' for speciality food businesses: [www.speciality-foods.com](http://www.speciality-foods.com) has been established.

- **Direct selling.** Many farmers are now selling direct to consumers via farmers' markets, farm shops, box schemes, mail order and the internet. The number of farmers' markets has expanded from one in 1997 to around 250 now. MAFF and the Countryside Agency have helped to fund a new National Association of Farmers' Markets and to reach a new target of 400 farmers markets.

**8.3.6.** We continue to believe that the farming and food industries can only prosper if they work together. We therefore support the creation of Assured Food Standards to bring the main existing assurance schemes within a single structure and have offered grant aid to help its establishment. We welcome the move to use the British Farm Standard red tractor logo on a wide range of produce, enabling consumers to identify those products that have been produced to the exacting standards of assurance schemes.

- **We also welcome the Competition Commission's report into the supermarkets** and the recommendation that there should be a code of practice to put relations between supermarkets and their suppliers on a clearer and more certain basis. The relevant supermarkets will have to give legally binding undertakings to comply with the code.
- **Fruit and vegetables.** We are committed to introducing a National School Fruit Scheme, which will make a free piece of fruit available to school children aged four to six each school day by 2004 – **equivalent to around 40% of the British apple market.**
- As part of the new *NHS Plan*, we will work closely with the food industry and other key stakeholders to increase access to fruit and vegetables. Pilot schemes will start this year.

**8.3.7.** These positive campaigns for health will, together with DfEE action on school meals, be of significant benefit to producers through increased demand for good quality fruit and vegetables. The challenge to the industry, including farmers, is to work with us to increase provision and access to fruit and vegetables, for example through local initiatives such as Farmers' Markets.



## 8.4. Farm diversification

**8.4.1.** We will help farmers diversify, to strengthen their core business of providing the food we eat. Over the past twenty years, many farmers have decided that diversification can give their farming incomes some protection against market fluctuations. Often the whole family are involved in setting up and running new enterprises such as bed and breakfast facilities, or farm shops. Sometimes new businesses may be established solely by one partner within the farm. Research undertaken by the National Farmers Union in 1999 showed that one third of all women on farms questioned were involved in some form of diversification to bring in additional income.

### Case study – Farm diversification 1

Mrs Alice Bennett farms in partnership with her husband Christopher on their 200 acre tenancy in Madresfield. Alice has supported the dairy enterprise establishing an efficient farm office, computerised records and accounts and has raised four children. In 1994 she opened a nursery school on the farm which has grown rapidly to cater for over 100 children daily, creating local employment. In April 1999 she further utilised redundant buildings to develop a small riding school which employs five people. This year has seen the expansion of the school into infant education, up to the Key Stage 1 (age 7 years).



**Alice Bennett of Madresfield Early Years Centre, Haysward Farm**  
Credit: NFU

### Case study – Farm diversification 2

Richard Dix and his father are pig farmers based at Heacham in north Norfolk. In 1999 following the problems in the pig sector Richard decided to develop his hobby of helping other people to solve their IT problems into a business. Richard, whose family have been farming at Heacham for over 150 years, took the difficult decision to sell the breeding herd, releasing capital to pay off most of the farm's overdraft and simplifying the farm's activities. This change also reduced the workload on the farm enabling Richard's father to manage the farm on a daily basis and allowing Richard to concentrate on making a success of his IT support business, which specialises in helping small businesses and private IT users. He has now been joined in the venture by his wife, Angela, who has brought skills in marketing and administration into the business.



**Looking to Pastures New**  
Credit: Anglia Newspapers Ltd © Donna Semmens

**8.4.2.** We believe that, if it is pursued intelligently and realistically and with the right encouragement and support, diversification can play an even greater role in the future in strengthening UK agriculture. Section 7.6 describes the measures we are taking to provide better business advice to farmers and others running small businesses. We are also taking other steps to make this vision a reality:

- Introduced under the ERDP, **the Rural Enterprise Scheme will provide £152m in aid over the next seven years to help farmers re-direct their businesses**, for example by marketing quality agricultural produce, or by moving into rural tourism and craft activities. It also provides funding for measures to help the wider rural community.
- MAFF will publish before the end of the year a free guide 'New Directions – Farm Diversification' providing fresh up-to-date advice, illustrated by a number of recent case studies, for farmers wishing to diversify to get alternative or additional sources of income. The guide will include advice on planning issues and would be of help to farmers considering applying for funding to diversify under the Rural Enterprise Scheme.

### The Planning Environment

**8.4.3.** Surplus farm buildings can provide suitable accommodation for diversified businesses. The Government is determined that the planning system should be sufficiently flexible to enable this to happen.

**8.4.4.** Advice for planning authorities on sustainable rural development, including the re-use of rural buildings, is set out in *The Countryside – Environmental Quality and Economic and Social Development (PPG7)*. A DETR/MAFF seminar in May 2000 identified the need to ensure that this guidance was implemented more consistently at local level. There is evidence of good practice by many local planning authorities, but it needs to be spread more widely. Planning officers and councillors in local authorities must recognise the crucial role that diversification can play in sustaining and developing farm businesses.

**8.4.5.** The May seminar also found that most farmers were unfamiliar with the planning system. This results in many poor-quality applications. There is also anecdotal evidence that farmers may sometimes be discouraged by local authorities from submitting and pursuing worthwhile diversification proposals. Another concern was that planning guidance on transport (*PPG13*) is often being interpreted in a way which undermines other policies designed to encourage rural diversification.

**8.4.6.** The Government is taking steps to address these problems through:

- **Free consultancy advice** on planning is available to farmers who pursue diversification projects under the Rural Enterprise Scheme.
- We will issue **a planning policy statement** clarifying the positive approach we expect local authorities to take towards farm diversification proposals.
- **We are revising *Planning Policy Guidance 13*** to clarify the framework for considering the transport implications of rural development proposals. We are confident that this will lead to more diversification proposals being accepted by planning authorities.
- The Countryside Agency and RDAs issued a joint statement in September explaining how their organisations will work together to promote the right kind of development to meet the needs for rural businesses.
- DETR has commissioned fact-finding research on how local planning authorities deal with farmers and their proposals for diversification. This research will be completed in early 2001.
- DETR will publish a revised Farmer's Guide to the Planning System. This will be a user-friendly handbook on how the planning system works.
- **The Redundant Building Grant Scheme**, which previously operated only in Rural Priority Areas, has been extended in 2000–01 with an additional £4m, for farmers only, to cover the whole country. We are making available a further £4m of funding to meet demand before similar measures funded under the Rural Enterprise Scheme come on stream. (See also section 9.2 on planning policies)

### Diversification and the rating system

**8.4.7.** Farmers are already exempt from business rates. In its March 2000 *Action Plan*, the Government set out proposals to stimulate diversification into small-scale horse enterprises, such as stables for trekking or livery. We have since consulted publicly on proposals to introduce transitional rate relief for farmers diversifying into farm-based horse enterprises and in the light of that consideration we shall be consulting further on extending rate relief to farm diversification generally.

- We will consult shortly on proposals to provide time limited rate relief for farmers diversifying into other non-farming activities.
- We will also consult on extending the agricultural exemption from rates to a range of flexible farming business arrangements, including contract and share farming, and machinery pooling.

### Diversification into non-food crops

**8.4.8.** Agriculture has for centuries provided a wide range of materials other than foodstuffs. These include fibres (flax and hemp), oils (linseed and rape), dyes (woad and madder) medicines (willow and foxglove) and energy (coppice wood). Modern technology has expanded the range of products which can be produced from plants and the yields which can be obtained. Non-food crop products include automotive components, lubricants, nutritional supplements and feedstocks for speciality chemicals. These uses contribute to sustainable development, both in environmental terms by reducing greenhouse gas emissions, and in economic terms by boosting farm diversification and rural incomes. They also have the potential to create new jobs in rural areas. We are launching the following initiatives to stimulate these developments further:

- In response to a recent Foresight panel recommendation, **we are creating a new Government/Industry Non-Food Forum to give strategic advice on developing non-food applications of crops other than energy crops.** Too often, those promoting non-food uses complain that they run up against legislative and other bureaucratic barriers, and point out that the necessary industrial infrastructure is inadequate or non-existent. The forum will provide clear advice to Government and industry on what needs to be done – for example on research and infrastructure – to develop these non-food uses.

- A new **Energy Crops Scheme** under the ERDP launched by MAFF in October will provide planting grants for short-rotation willow or poplar coppice and for miscanthus, an energy grass. £30m in aid over seven years will enable 20–25,000 hectares to be planted, as a first tranche towards a national target of around 100,000 ha in the longer term. This will enable agriculture to begin contributing towards the Government’s targets on reducing greenhouse gas emissions. Hundreds of jobs could be created in rural areas in the energy plants and supporting industries which use these crops.
- Under the ERDP, we are increasing the funding for both the **Woodland Grant Scheme** and the **Farm Woodland Premium Scheme** (see section 9.7).



Lavender – a non-food crop  
Credit: ACTIN

### 8.5. Regulating only when it is really necessary, and removing burdens that are not justified

**8.5.1.** We underlined in our *Action Plan* in March 2000 a commitment to regulate only when it was really necessary. The *Action Plan* also explained that our policy on implementing EU obligations relating to farming would be to avoid all ‘gold plating’ of legislation, both in its implementation and enforcement; to regulate in the least bureaucratic and burdensome way; and to avoid implementing legislation ahead of specified EU deadlines.

**8.5.2.** The *Action Plan* contained a number of specific commitments to review and remove regulatory burdens affecting farmers. All of these have since been acted upon, and most have been completed. Progress reports are set out in a regular *Action Plan for Farming Bulletin* issued by MAFF. We are currently considering the recommendations of the Better

Regulation Task Force Review of environmental regulations and their impact on farming, and will respond shortly. The Food Standards Agency is also due to report in the coming months on its separate reviews of the current main measures to protect the public against BSE/vCJD in relation to the food chain, and of the Meat Hygiene Service's efficiency.

**8.5.3.** We believe it vital to maintain momentum in this area. To this end, in addition to the steps set out in the *Action Plan*, we will take forward the following new initiatives:

- We will increase the number of **overseas students** allowed to work on UK farms in the summer. The farming industry finds it increasingly difficult to find harvesting labour in order to meeting growing consumer demand. At present, some of the labour requirement is met through a seasonal agricultural worker scheme. This long-established youth mobility scheme enables a quota of non-EEA students to enter the UK each year to do seasonal work in agriculture and then return to their studies. Following discussion between the industry and the Home Office, it has been agreed that the present annual quota of 10,000 will be increased to 15,200.
- We will ensure that the recently announced review of **the UK organic food standards regulator** – UKROFS – includes within its scope an examination of the regulator's role in setting standards for organic produce, both where there are no EU standards and by supplementing EU standards.
- We will come forward with specific proposals within the next six months to **integrate on-farm inspections**. This will include proposals to reduce the number of on-farm cattle inspections, both by combining subsidy and cattle identification inspections and by better co-ordination between inspection authorities.
- We will introduce electronic data transfer in the **Cattle Tracing System**.

**8.5.4. Hygiene controls** are an essential protection for the public but they can impose unnecessary burdens. For example EU legislation lays down detailed requirements for slaughterhouses, including a high level of official inspection and supervision that is not related to the risks to consumers, and bears especially heavily on small and medium-sized slaughterhouses which are important to farmers seeking to diversify into new markets.

- As part of the *Action Plan for Farming* we are pressing for an early agreement and introduction of EU Commission proposals – produced under UK pressure over a number of years – to modernise food hygiene controls and replace unnecessarily detailed requirements with control measures based on risk assessment which will maintain high standards of food safety for consumers.
- An independent Task Force set up by the Food Standards Agency to review the burden of food regulations on small businesses, including farms, will report by the end of the year. It will seek to identify any unnecessary or disproportionate burdens and recommend solutions.

**8.5.5.** There is a wide range of advisory services available to farmers and land managers on the various schemes and activities covered in this chapter. We will look further at whether we can improve the accessibility, quality and relevance of this advice, and better integrate economic and environmental messages.

## 8.6. Farmers and the wider community

### Farming on the urban fringe

**8.6.1.** Farming on the urban fringe has its own special attributes and problems. Its landscape is vitally important in its own right and as a bridge to the wider countryside. Demand for access and amenity is high. Crime and vandalism can be problems. The Urban White Paper recognises the importance of agricultural and horticultural businesses in and around cities and towns and sets out our policies for dealing with problems such as crime and antisocial behaviour.

**8.6.2.** But urban fringe farmers also face the same challenges as the rest of farming. Our measures will help these farmers too. For example, the ERDP has a separate London chapter, programming group and budget for rural economy measures. And our initiatives to improve the planning environment will achieve a better dialogue and awareness between farmers and urban authority planners.



Yorkshire Coalfield Urban Fringe at Baildon, West Yorks  
Credit: MAFF

- **The Fly Tipping Forum which brings together the Government, the Environment Agency, local authorities, the NFU and the Country Landowners Association is addressing the problem of fly tipping on farms.** It is assessing the scale of the problem, and will look at how the enforcement agencies can work more effectively together, including the pursuit of offenders and more effective deterrence.

### Measuring the public benefits which farming and land managers provide

**8.6.3.** Most of our landscape is the result of farming and other rural land uses, such as forestry. As the following chapters indicate, these land management activities – often through private investment and without any direct public support – can provide very significant public benefits through maintaining landscape features including hedges and other field boundaries and watercourses, and the wildlife they support. A fuller understanding of the implications of the challenges facing agriculture and land managers for the delivery of public benefits of this sort could be useful. It would also help to have more quantified information on the environmental and other public benefits provided by land managers, through a range of different land management approaches and their costs, to help in assessing whether public policies generally need adapting to encourage such benefits in the future.

- We will set up a **DETR/MAFF Review Group**, with representatives from other interested departments, the Countryside Agency, as well as farmers, land managers and conservation bodies, to advise on **how the public benefits which managed landscape and land-based enterprises provide can be better assessed**, including independent evaluation, across the full range of rural land uses and to advise on how these benefits can be sustained and increased. The work of this Group would also inform the European debate on action to sustain and increase benefits arising from land management and help to shape our approach to aspects of future negotiations on CAP reform.

#### Land Management Initiatives

The Countryside Agency's £6m, seven year experimental Land Management Initiatives are seeking ways to encourage more sustainable land management by involving and bringing local communities and farmers closer together. The nine projects cover upland, arable, lowland pastoral and urban fringe landscapes across the English regions. The objectives for each project reflect the problems facing farming and rural communities within the different areas. Local people are therefore involved in highlighting the issues of concern and identifying solutions. Project activity will include:

- Helping land managers to identify and meet the needs of local communities;
- Whole farm appraisals – identifying all the natural and capital assets of the farm and skills of the farmer
- Adding value to farm produce by promoting links between quality products and a quality farmed landscape;
- Promoting the uptake of new ideas and technologies, such as integrated farm management and novel crops;
- Payments for the delivery of defined environmental goods;
- Investigating new ways of delivering support and advice to farmers bringing together business and conversation advice.

Both existing and new forms of support will be used to deliver the projects. Lessons learned will help us to understand how to deliver a wider range of benefits from land management and will help in the shaping of future UK and EU policy.

# Part 2

## a working countryside – objective and spending

### Objective:

- To facilitate the development of dynamic, competitive and sustainable economies in the countryside, tackling poverty in rural areas.

£m	Spending (£ million)			
	1996–7	2000–01	Projected for 2003–4	Projected 2001/2–2003/4
Regional Development				
Agencies (urban and rural)	n/a	1,250	1,700	4,700
<i>of which:</i>				
<i>Single Regeneration Budget (rural)</i>	<i>n/a</i>	<i>50</i>	<i>(Note 1)</i>	
<i>Rural Development Programme</i>	<i>25</i>	<i>29</i>	<i>(Note 1)</i>	
<i>Market Towns (RDA)</i>	<i>n/a</i>	<i>–</i>	<i>13</i>	<i>32</i>
Regional Selective Assistance	10	9	n/a	
Countryside Agency (enterprise)	n/a	5	7	20
EU Structural funds	64	89	96	270
CAP payments (UK)	4,100	2,500	2,900	8,600
England Rural Development Programme	137	194	261	697
<i>of which:</i>				
<i>Agri-Environment</i>	<i>67</i>	<i>97</i>	<i>153</i>	<i>409</i>
<i>Forestry</i>	<i>12</i>	<i>24</i>	<i>32</i>	<i>88</i>
<i>Less Favoured Areas</i>	<i>28</i>	<i>44</i>	<i>35</i>	<i>113</i>
<i>Other</i>	<i>30</i>	<i>29</i>	<i>41</i>	<i>87</i>
Action Plan for Farming (Farming summit March 2000)	–	200	80	303

Note 1. The constituent parts of the RDAs' new single budget, including rural, have yet to be determined