It is vital that the UK Government takes the following immediate actions to provide certainty to farmers and other rural businesses about the security of the labour force.

WHAT DOES THE COUNTRYSIDE PROVIDE?

Managing land well provides society with a range of benefits. It provides food, including grains for bread and beer, quality seasonal fruit and vegetables, and meat reared to some of the highest welfare standards anywhere in the world – this helps provide a billion meals a week in the UK.

However, our farmers and land managers provide so much more through the work they do. Farmers are responsible for maintaining the hedgerows of a length greater than the distance to the moon which is so vital for our wildlife, and they have installed miles of environmental buffer strips. Many people enjoy spending time in our countryside for a range of activities and appreciate the access, landscape, and natural environment that is shaped by the activities of farmers.

Our countryside is not static, and needs to be able to respond to future demands. Managing rural land can play a major role in meeting international obligations for climate change, improving water quality, protecting soils, providing opportunities for people to enjoy clean air, providing more effective flood management solutions and enhancing wildlife habitats. Implementing a fully funded land management contract will deliver these and many more benefits.

Leaving the European Union also means leaving the Common Agricultural Policy (CAP) which has supported and shaped the food and farming and rural sector across the UK for over 40 years. Now is a once in a generation opportunity to phase out a bureaucratic and outdated system, and to replace it with a new policy that is more transparent, better targeted, and that fairly rewards the contribution of farmers, foresters and others for managing land in a way that benefits society as a whole.

Having the freedom to develop a new policy to replace the CAP in the future is a major opportunity to improve farm profitability, recognise the multi-functional nature of land management, and support the wider rural economy, in a new and innovative way.

Land managers are uniquely placed to deliver food security, clean water, carbon storage, biodiversity and other societal benefits, but they come at a cost to farmers in time, money and business efficiency, and while highly valued, there is limited market means of paying for them.

In order to address this the CLA proposes a new system based on the award of contracts to farmers and landowners. The Land Management Contract would be a legal agreement between the farmer and the government for provision of goods and services that the market doesn’t pay for but provide valuable benefits to society. The contract mechanism is well understood and flexible, so it can provide certainty for both government and land managers.

The land management contract is central to the CLA’s vision for a post-Brexit Food, Farming and Environmental Policy framework. The contract signals a move away from the dependency on support and subsidies to a more transparent agreement where any payments are for tangible activities and outcomes. The proposal for a new land management contract sits alongside measures to improve the profitability of farming through increased productivity, market development and resilience, as well as wider support for the rural economy. This framework is set out in the first document in the New Opportunities Investment series, and will be the focus of future publications in this series on the other elements of the framework.
The land management contract is a new way by which farmers, foresters and land managers are rewarded for their time, costs and expertise in managing land in ways that benefit society. It will redefine the relationship between the land manager and government (on behalf of wider society) and offers an effective, simple mechanism through which long term agreements can be reached and maintained. Above all it creates a transparent and accountable way for public money to be used to deliver benefits for the taxpayer.

The contract is a move away from the CAP system of subsidy payments to a tailored agreement available to all land managers. The contract sets out what activities they have chosen to undertake, what payment they will receive for doing so, and what the benefits to society will be.

OUTCOMES FROM A LAND MANAGEMENT CONTRACT

To ensure the taxpayer receives value for money, the contracts will contain defined measures and outcomes based on science and evidence, and societal needs. Examples could include:

➜ Safeguarding and increasing carbon storage to help meet international carbon targets.

➜ Mitigating or reducing flood risk.

➜ Providing opportunities to improve health and wellbeing through providing access to good quality green spaces and land based recreation facilities.

➜ Managing and improving water quality and availability.

➜ Creating better connectivity of habitats and species.

➜ Maintaining the distinctiveness of our places, historic landscapes and heritage.

➜ Managing soil structures to maintain productive capacity of land for future generations.

➜ Delivering high standards of food safety and traceability.

➜ Leading the world in driving high health and welfare standards.

TARGETING THE BENEFITS, MEASURING THE IMPACT

The activities and outcomes of a contract will be selected by the land manager, but will reflect the needs and priorities of the local area. Some areas have potential for carbon storage, or high landscape value, while other areas are uniquely placed to deliver specific conservation intervention. The land management contract will be locally adaptive, using existing and new evidence from mapping, to identify the priorities to ensure that the greatest impact is delivered.

The land management contract will state clearly what the land manager is required to deliver with transparent terms and measurable impacts. The contract administration could build on current systems and be adapted for new targets and local priorities, and enable long term commitments that work for both land managers and society. As with any contract, quality of delivery will be paramount, which will require the design and implementation of a sensible and appropriate inspection system, to measure the impact.

There is no easy way to value the public benefits, however work is underway by government, in collaboration with industry, scientists and economists, to identify appropriate and fair valuations and payment mechanisms.

PRINCIPLES OF THE LAND MANAGEMENT CONTRACT

➜ A choice not an entitlement – Farmers, foresters and land managers can voluntarily enter into a contract with government to deliver public benefit, setting out what they will deliver via the contract and what they will get paid.

➜ Available to all – Every farmer, forester and land manager has the opportunity to enter into a contract. While opportunities will vary according to location and topography, everyone has the potential to contribute to delivering public benefits, irrespective of farm type or size.

➜ A tailored and targeted contract – Farmers will choose what sort of land management activities are right for them and their rural business. The more beneficial the land management they choose to do, the higher the potential payment.

➜ Rewards for going above and beyond the minimum legal requirement – Entering a land management contract would have deliverable outcomes that are more than just meeting current legislative baselines to provide increased benefits and value.

➜ Accountability and transparency – Signing a contract brings with it obligations, and failure to achieve these could lead to consequences (for both parties). The terms of the agreement and the benefits being achieved should be fully transparent and outcomes appropriately reported.

➜ Appropriate timescales – A contract should be long term and certainly not subject to requirements for annual applications or renewal processes. As a starting point timetables should be considered as 10 year agreements for non-forestry land uses and 20 years for forestry.

➜ Fair reward and value for money – The value attached to the outcomes delivered need to offer a sound commercial choice for businesses, as well as value for money for government.

➜ Simplicity of administration – As a party to the contract the government commits to standards of service with regard to fulfilling its obligations on administration, inspection and keeping bureaucracy to a minimum.

➜ Contracts with those who deliver – The contract will be agreed by whoever is responsible for providing the service. This could be the landlord or the tenant, or joint contracts.

➜ Scale and collaboration – The contract will be available to individual businesses, but incentives could be offered for larger scale and collaborative agreements between farmers that provide enhanced benefits and reduced administration costs.

➜ Locally targeted – The importance of specific outcomes will vary across the country, for example, creation of specific wildlife habitats, or delivery of clean water, so the contracts can be varied to accommodate local objectives.
MAKING THE CHANGE TO LAND MANAGEMENT CONTRACTS

The CLA vision is revolutionary and forward looking – it makes the case for a Food, Farming and Environmental Policy that is transparent in delivering public benefits and delivered in parallel with a wider economic strategy for the rural economy. However, such change is transformational, and transitional arrangements and time will be needed to minimise uncertainty.

The principles that underpin a successful transition to land management contracts are:

1. A transition away from subsidy can only start when a fully developed policy and timetable has been set out – the process of policy design will take some time, and therefore it is right that the existing support system should remain in place and funded for 5 years. Only once a new policy is designed and legislated for should a period of transition begin.

2. No business should face a cliff edge – Measures must be put in place to manage the withdrawal of subsidies and current CAP structures. Be this a phased withdrawal or a gradual introduction of land management contracts. Ensuring a managed transition will enable businesses to adapt and ensure the long-term success of the rural community.

3. The timetable for developing and implementing a new policy framework should be established early and remain transparent throughout – Developing a new policy is complex and requires sufficient time for research, development and consultation.

4. Learning from pilot schemes – As part of a transition period, pilot schemes provide valuable engagement and feedback on how it works in practice to ensure good design and administration.

5. Land management contracts must deliver value for money for the taxpayer – Transparent funding structures are essential to be able to demonstrate how society benefits.

6. Wider policy and regulatory reform must align with the concept of land management contracts – Certain public benefits will require land use change and once we have identified what actions we want to see delivered in which locations, we should make it as easy as possible for land managers and farmers to deliver these outcomes.

The CLA vision is revolutionary and forward looking – it makes the case for a Food, Farming and Environmental Policy that is transparent in delivering public benefits and delivered in parallel with a wider economic strategy for the rural economy. However, such change is transformational, and transitional arrangements and time will be needed to minimise uncertainty.

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