



Rt. Hon Hilary Benn MP
Secretary of State
Defra
Nobel House
17 Smith Square
London SW1P 3JR

24th October 2008

Dear Hilary

UELS and Conservation in the Hills

I am writing to express ENPAA's concern at the long term prospects for conservation of upland environments, prompted by the proposed introduction of the Uplands Entry Level Scheme (UELS).

When the Single Farm Payment was being introduced, the National Park Authorities strenuously argued that farmers in the Severely Disadvantaged Areas should be treated on equal terms if not better to those working the better land of the lowlands in recognition of the greater non-market benefits that they provide. Given the extra climatic and topographic difficulties they face, we continue to believe upland farmers should in general receive more public reward than those in the better land found in the lowlands, rather than less.

When the arrangements for the Single Farm Payment in England were changed in April 2004, the then Secretary of State, Margaret Beckett, responded to the concerns we had expressed by including in her Statement to the House that:

"I recognise that this decision to amend the regional boundaries may come as a disappointment to some... I have therefore asked my officials to consider how the next round of rural development programming (from 2007 onwards), can better reflect the needs of upland communities, and the public interest in good management of some of our best-loved landscapes."

The 2003/04 reforms were intended to 'decouple' government expenditure from production but because single farm payments are still connected to historic production levels and because agri-environment scheme payments are largely based on income foregone, these continue to favour farmers working the best lowland areas rather than upland farms. We will therefore be looking for other opportunities to contribute to a debate about future CAP payments and our concerns for the uplands. Our uplands, much of it within National Parks and AONBs, need sustainable farming as a means of safeguarding and enhancing the environment and in order to retain living-working viable communities.

We note that you have decided that the Hill Farming Allowance will be abolished and replaced by UELS, and we have worked closely with the farming community and your officials to help develop a workable scheme for the future. Although the proposed UELS budget is a small part of the total public spend for agriculture, the environment and rural development, it is important that the majority of upland farmers are able to access it and that it will deliver the necessary conservation benefits across the Uplands. We are still concerned that for some areas the scheme in its current form will not meet those twin aims.

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We appreciate the opportunity we have had to contribute to the development of thinking on this subject and believe that the use of pilots has been helpful. We will do everything we can to continue to help make the UELS work in practice. The experience of the pilots does, however, cause us some significant concerns.

We believe a critical issue is to secure a reasonable level of grazing across the main upland blocks of England in the face of the declining cattle and sheep numbers and the continued absence of flocks from a number of areas where they were removed during the Foot and Mouth Epidemic of 2001. As you acknowledged in your parliamentary answer on 9 October, National Park Authorities appreciate, and are active in encouraging, the removal or reduction in intensity of grazing in areas where this has a positive conservation benefit. Wholesale abandonment, however, is already a reality in parts of the Uplands and in general that is a threat not a benefit to conservation values as well as social and economic ones. For example, we see real conservation threats arising from the risk of intense uncontrolled fires in some of the areas that are not grazed at all, and important mosaics of grassland and moorland habitats will be at risk from woodland invasion. This will be exacerbated by the effects of climate change.

The enclosed grassland uplands are a significant part of the SDA in National Parks and even though much of the land is semi-improved they are important for their landscape, cultural heritage and recreation. Under the 2003 CAP reforms these farms were put at a serious disadvantage to their counterparts in the best lowland areas with whom they directly compete because of the Single Farm Payment differentials between SDA and non-SDA. It is therefore important that they are able to gain entry to UELS which means recognising their significance in landscape and recreation terms in the scheme requirements and options.

If, as we understand, you are minded to continue down the UELS route, then we would urge that further changes are made to ensure that the great majority of hill farmers are able to access the Scheme. The reality is that for many Hill Farmers the UELS will represent more work for at best the same money and we are concerned at the implications of this for supporting the continued existence of people with the skills and dedication to manage our Uplands. Most of the farms are family-run businesses, with profit margins and labour availability already stretched, and being rewarded for environmental management is a necessary part of their futures.

We are concerned that the current proposals would not bring the right public benefits in the right places, although we acknowledge the progress on this matter as the Scheme has continued to be developed in recent weeks. We and other stakeholders have put forward further comments following the pilots.

Finally, we believe that to make the trinity of HLS/UELS/ELS work effectively on the ground will require considerably more resource than appears to be available if the 2010 deadline is to be met. This is especially the case because of the need to transfer from classic schemes (including NPA ones) and the likely need for further changes to recently renegotiated schemes to take account of the introduction of the UELS. In our view the uptake target for UELS needs to be 90% because at the point of changeover from the HFA all farmers currently in that scheme will be instantly affected. To achieve this will need concerted effort from Natural England and others, including National Park Authorities which have previously played a significant part in helping get high uptake of agri-environment schemes in the uplands. Through our work we also bring an holistic approach to upland issues, addressing agri-environment, other rural economy concerns, recreation and community needs. We will, of course, do what we can to address the transition from

within our own resources, though this will inevitably be very limited in scale. Where we can we are building effective delivery arrangements alongside Natural England staff. The reality of the level of Public Sector input to make these schemes run effectively with each other, reinforces our view that on this occasion, the more-accessible the replacement to the HFA the better.

Given the significant interest in this matter we shall be placing the contents of this letter on our website and look forward to your reply.

Yours sincerely

Nigel Hoskin

ENPAA Chairman