

Reclaiming the Countryside

**Proposals for Rural Affairs
and Agriculture in
England and Wales**

Policy Paper 5



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Note: two areas of policy of relevance to rural areas are not dealt with in this paper. Fishing will be the subject of a future topical paper. The protection of animals, both on farms and wild in the countryside, is covered fully in Federal Green Paper 27, A Matter of Conscience (1992).

Reclaiming the Countryside

This paper sets out policy recommendations for achieving and maintaining vital, thriving and sustainable rural communities. We aim to create a revitalised and environmentally sustainable rural economy, a physical environment which is effectively managed and protected, rural services which meet the needs of the local population, and institutions of government which enable rural communities to take control of their own future.

We aim to replace the Common Agricultural Policy with a much more broadly based Common Rural Policy throughout the European Union, in which agriculture continues to play a core role but not an exclusive one. Advice and assistance will be made available for start-up and expansion of small businesses, marketing and business planning, and diversification out of food production.

The Common Agricultural Policy must cease to be a system of indirect price management and become a programme of direct payments for economic, environmental and social goals which benefit the wider community as well as those directly involved. Such a market-based rural economy, besides avoiding the build-up of surpluses, will enable farmers to become more competitive with producers in the EU and beyond. By targeting support, the current leakage of huge sums of public money can be turned round and invested to maximum effect, meeting specific national and regional objectives.

We therefore propose a new system of Countryside Management Contracts available to all farmers and land managers. Each would be able to choose from a wide-ranging 'menu' of options, varying regionally. Each item on the menu would be worth a certain number of points, with each point carrying a money value related to the overall fund available; each farmer could claim payments up to a maximum per holding.

One of the main aims of our reforms is to contribute to the objective of *environmental sustainability*. We will encourage agricultural systems which are 'cyclical' in nature - less reliant on inputs of fuel, fertiliser and pesticides and less prone to degrade and deplete soil and water resources. Countryside Management Contracts would include incentives for the extensification of farming and the production of organic and reduced input food.

We will encourage the *processing of farm produce locally* to enhance its economic value, ensuring that the value added is reinvested in the local community. *Producers' marketing strength* can be improved by joint ventures with the commercial sector and the formation of marketing co-operatives. In order both to develop sustainable systems and to respond to the developing market in farm products, *research* is essential, particularly in low-input, low-pollution techniques and areas of major innovation, eg biotechnology. The *tenanted farm sector* must be retained, not just as a route into farming for those with limited capital, but also to underpin small family farms - an essential option in a mixed farming economy.

The *development of telecommunications* offers a great opportunity to transform the rural economy; we will encourage *distance working* and the establishment of *local telecottages*. *Tourism* will be developed sensitively and appropriately as a major source of employment. *Industrial crops* for renewable energy and chemical feedstock will be encouraged. We will adopt a long term target of doubling the present land area under *forestry*; current systems of taxation and grants must be reformed. *Horticulture* will be encouraged through improved marketing, added product value and increased research.

The protection of the physical environment is an important element of our system of Countryside Management Contracts. Contracts will encourage a reduction in the use of agrochemicals, farming methods which conserve rather than erode soil, and the maintenance of wildlife habitats. The system of *landscape and habitat protection* will be reformed into a single coordinated framework applying to all the rural countryside. We support proposals to give *independent status to National Park Authorities*. *Public access to the countryside* will be encouraged in ways which protect the quality of life of local residents and the local environment. The *planning system* will be reformed to adopt a much stronger presumption in favour of conservation, and to allow much greater participation.

We aim to provide at least a basic minimum level of services to rural communities. This requires the decentralisation of service delivery and the use of new technology and innovative solutions such as ‘one-stop shops’ and mobile offices. We recognise and support the key role which the voluntary sector plays in the delivery of many community services.

Local authorities will have the responsibility of drawing up *Community Transport Strategies* defining minimum standards of provision and plans to meet them. Councils are best placed to act as strategic identifiers of *housing* need, and, where appropriate, providers of social housing; a proportion of land allocated for housing in local plans should be retained for the rented sector. *Health care* should be delivered as far as possible through small community hospitals and peripatetic primary and community services. Councils should be able to provide additional funding to keep *local schools* open, and telecommunications links should be more widely employed; school facilities should be made available to the wider community. *Police officers* should be stationed in large villages and small towns to increase police visibility and deter crime. *The provision of adequate facilities is essential to thriving communities*. We will support *rural post offices* by granting exemption from business rates and encouraging them to develop a role as ‘community offices’ with a wide range of services. We will encourage support for *local shops* and *library services*.

Government structure is crucial to enabling rural communities to take control of their future. *Our proposed Department of Natural Resources will take lead responsibility for rural policy*, developing the necessary holistic approach to economic, environmental and social policy; it will absorb the main functions of MAFF. A *Rural Policy Unit* at Cabinet Office level will monitor activity and coordinate policy in all departments. *Welsh and English Regional parliaments* will set Countryside Management Contracts’ formulae. *Neighbourhood councils* will take responsibility for some local services and for articulating the views of their communities; this may require ‘clusters’ of parishes acting jointly.

Introduction

1.0.1 Liberal Democrats published our first rural policy paper, *A Thriving Countryside*, in December 1990. Its purpose was to “set out policy recommendations for achieving and maintaining vital, thriving and sustainable rural communities.”

1.0.2 Much has happened in the intervening period. Initial reforms of the European Union’s Common Agricultural Policy (CAP) have been implemented, stimulated by the negotiations of the GATT world trade talks, which have themselves finally reached a successful conclusion. The 1992 ‘Earth Summit’ and the resulting Agenda 21 has added to the pressure on governments to take action over the rural environment. Agriculture has continued to decline as a source of income and employment in the UK, and competition from overseas producers, notably in Eastern Europe, is growing. Government reforms of public services, including privatisation and the spread of the ‘contract culture’, have affected the delivery of rural services.

1.0.3 As a consequence, rural communities have increasingly faced pressures from economic adjustment and migration, while many urban areas have grown to diseconomic and socially unhealthy levels (see Policy Paper 2, *Reclaiming the City* (1994)). It has become harder and harder for many rural people - including the large but decreasing number of farmers and farm workers - to enjoy a standard of living equivalent to national norms, or for an appropriate balance to be struck between living standards in urban and rural areas. Small farms have been under particular strain. The impact on the rural environment has been alarming, including growing levels of water, air and noise pollution and soil degradation, urban encroachment on valuable land and, in some areas, abandonment of fragile land without safeguards against erosion or other threats.

1.0.4 It is therefore timely to review our policy for rural Britain. Rural communities face different opportunities and have different concerns from urban communities. The main areas which this paper aims to address are:

- The consequences of the decline of many traditional land-based industries - especially of agriculture - coupled with the run-down of other sources of rural employment.
- The impact of the rapid development of telecommunications and ‘distance working’, and the opportunities this offers for the future.
- Changes in European Union support systems for rural areas.
- Environmental degradation of the countryside.
- Poor public transport, leading to a lack of access to jobs, services, training and information, and increasing dependence on private cars.
- The lack of affordable housing, the low quality of much of the housing that exists and the growing problem of homelessness.
- The decline and underfunding of rural services (exacerbated by the increase in the average age of the rural population) and the unwarranted expectation that the voluntary sector will fill the gap.

1.0.5 It is our firm belief that these problems can be tackled, and tackled successfully, to create vital, thriving and sustainable rural communities. The next chapter sets out our underlying approach.

The Liberal Democrat Approach

2.0.1 Why do rural areas and communities matter? What is the point in having a rural policy? Our answer is four-fold:

- For Liberal Democrats, *all* individuals and communities matter. We want to help individuals and communities - wherever they are - develop and thrive.
- Rural areas and communities contribute significantly to the national economy, through agriculture and related sectors, but also through a wide range of other activities.
- Rural areas and communities contribute to the non-material wealth of society, partly through the amenity and leisure value of the countryside and partly through the contribution that rural communities make to society in general.
- Rural areas are vital to environmental sustainability. They are the location of most of the country's soil and water, their plant life acts as a 'sink' for carbon dioxide emissions, they are the location of most potential sources of renewable energy, and they are a major reservoir of plant and animal habitats, helping to preserve biodiversity. But rural communities also currently contribute to some environmentally unsustainable behaviour, for instance through over-intensive agriculture, or the greater use of (because of the greater need for) transport.

2.0.2 Given these justifications for policy, Liberal Democrats derive the following rural policy objectives:

- To help individuals and communities in the countryside develop and thrive. This implies action to ensure access to employment opportunities, education, social services, housing, leisure/recreation, and so on. As well as effective public services, this also

implies the existence of a healthy voluntary sector.

- To ensure a thriving rural economy, which must imply diversification away from the traditional and declining land-based industries, and thorough reform of the CAP.
- To ensure that the non-material wealth of rural areas is maintained and enhanced. Policy needs to concentrate on the stewardship role of rural communities in managing, protecting and developing the countryside in a sustainable manner.
- To achieve environmental sustainability. This implies, once again, reform of the CAP, but also lower energy and chemical use, a reduction in pollution, the protection of biodiversity and habitats, and the development of renewable sources of energy.

2.0.3 In achieving these objectives, we also identify a number of prerequisites for successful action:

- An *integrated* approach: economic, environmental and social policy must be considered together and not separately, as the present Government tends to do. Issues relating to rural areas cannot be tackled on a piecemeal basis.
- *Democracy and participation*: rural communities and individuals must be enabled to define their own needs and to share in the development of the services required to meet them.
- Effective *partnership* between statutory, private and voluntary sectors in tackling these issues. Policies also need to be adopted for government at all levels - local, national and, crucially, European.

Revitalising the Rural Economy

3.0.1 The Liberal Democrat aim is to promote a sustainable, diverse and viable rural economy, market-based and closely attuned to the needs of the consumer.

3.0.2 The difficulties facing the English and Welsh rural economies are many: the decay of traditional industries (including, in particular, agriculture, textiles and some extractive industries), the tendency of those of working age to move to the towns, suburbanisation and poor service provision. Until jobs exist in rural areas, rural unemployment will continue to be exported to urban areas. Economic support mechanisms therefore need to be used to reverse the decline.

3.0.3 Traditionally, the main sector that has been provided with economic support is agriculture. The Common Agricultural Policy (CAP) has since its inception ensured the predominance of food production in the rural economy. It is now, belatedly, subject to reforms, but they have not so far been sufficiently far-reaching. We believe that the CAP must be replaced by a much more broadly based *Common Rural Policy*, in which agriculture would continue to play a core role but not an exclusive one.

3.0.4 Although agriculture employs only 6% of the total workforce in rural areas, in terms of land use it still predominates; farming represents up to 80% of land use in many rural counties. In addition, the major route for economic support to rural areas currently lies in the CAP. The bulk of this chapter therefore deals with agriculture and the reform of the CAP, but within the wider context of rural regeneration.

3.1 A Common Rural Policy

3.1.1 Although traditional rural industries are declining, others are arising. The growth of telecommunications, data processing and computing is making it increasingly easy for many small and medium-sized enterprises to operate from rural areas, and for individuals to work from home full- or part-time; this is likely to have a major impact on the future rural economy. The dispersal of some industries, particularly in the service sector, out of the big cities offers new opportunities to rural areas. There is substantial scope for 'adding value' to local products (food and timber processing), with producers having a stake in the process, farmgate sales, tourism, leisure and recreation, and forestry.

3.1.2 The development of industry and commerce in rural areas therefore needs to be encouraged, together with, crucially, adequate affordable housing for the workforce. Mistakes have been made over the years as to the sort of industrial and commercial development which is appropriate for rural communities. Since services and infrastructure tend to be more fragile in rural areas, it is vital that those who live in and around small towns and villages participate fully in the decisions which affect them. Liberal Democrat-controlled councils are at the forefront of developing techniques for village and community appraisal, identifying the needs and aspirations of residents.

3.1.3 Rural communities must be enabled to work in partnership with others to identify and achieve their own economic development, aiming for the introduction and enhancement of high value-added industries. Circumstances will vary widely and a broad range of flexible solutions will be needed to meet them, including:

- Positive employment statements in Local and Structure Plans.
- The delivery of a business skills programme to equip farmers to survive in the market.
- Advice, research and pump-priming for marketing and export opportunities.
- Financial assistance for farmers to add value to their products.
- Financial assistance to farmers to diversify their holdings and to move to part-time farming.
- Advice and assistance with start-up and expansion for small businesses, joint ventures and producer co-operatives.
- Encouragement and financial assistance for the development of distance working.
- An innovative approach to training to minimise access problems.
- Schemes to help young people develop confidence and skills and when appropriate move into self-employment.

3.1.4 Financial resources for this programme would be made available through redirecting the support currently available through the CAP only for agricultural production. Through our new Common Rural Policy, we aim to move money away from support for *production* and towards support for *people* and for the *environment*. The application of this approach to particular sectors is examined below; we concentrate particularly on agriculture since that is where the bulk of the resources lie.

3.2 Agriculture and the CAP

3.2.1 The CAP, originally designed to ensure steady supplies of food in fat years and lean, has encouraged farmers to produce ever greater quantities of food for much of which there has been no market and at a cost which by the mid-1980s nearly bankrupted the European

Community. Since 1984, however, support for farming has been steadily reduced in real terms, creating an increasingly uncertain future for those involved.

3.2.2 The CAP has relied on intervention in the market place to maintain higher prices for the main farm commodities. This mechanism, designed primarily to boost production, has been manifestly inefficient, and no more than one fifth of the support has ever actually been reflected in farm incomes. Much of the rest has gone on storage costs, export subsidies, higher input costs (including land prices) and supermarket profits. The system is inappropriate for an era in which EU production of most main commodities outstrips demand. It has resulted in the build-up of huge surpluses which are stored at great expense, then subsidised for export.

3.2.3 The damage to world markets caused by European and US export subsidies was one of the issues addressed by the Uruguay Round of the GATT negotiations concluded in 1994. The GATT settlement now requires that agricultural subsidies be cut; in particular expenditure on export subsidies must be cut by over one third by the end of the century. It seems likely that further GATT rounds will add to this pressure.

3.2.4 The CAP was reformed in 1992 in anticipation of the subsequent GATT settlement. The new package reduces over a transitional period the previous emphasis on price support and puts in its place compensation payments made directly to farmers. However, the opportunity was missed to link these payments to any wider benefit. Liberal Democrats have long supported the phased replacement of price support by a system of direct payments, but we have always insisted that these should be targeted specifically at environmental and social goals; the new package aims at neither.

3.2.5 The new system of area payments is therefore no more sustainable than the system it replaced. Not only is this support of more dubious value to non-farming interests, but

even the reformed CAP will start to hit budgetary constraints by 1995, and taxpayers will rightly question what benefits the expenditure brings. Essentially the aim of the 1992 reform package was to defend and preserve the status quo in agriculture, whereas what is required is a new vision of the role of agriculture within the European Union.

3.2.6 Particular elements of the reforms give rise to especial concern. Area payments are conditional on a percentage of the arable land being 'set-aside' or left unproductive. Set-aside is an undesirable method of restraint, as it tends to intensify production on the cultivated area that remains, thus providing little or no environmental benefit. It has potentially severe consequences for rural employment and for the competitive position of EU agriculture, as fixed costs are concentrated on the reduced acreage and cost per tonne rises.

3.2.7 We therefore wish to see set-aside phased out in favour of payments designed specifically to encourage farmers to retain or revert to more environmentally sustainable systems of production, such as extensification. Until this new system is put in place, set-aside can be directed to more useful outcomes. Set-aside which is rotated around the farm does little to benefit the environment, but set-aside which is left in place for some years ('non-rotational', allowed for the first time in 1994) can be used to create new wildlife habitats or recreational strips available to the public, or for the development of new non-food crops (see 3.6.5). We support the case for allowing new woodlands to be established on set-aside land, with woodland planting incentives as an alternative to the set-aside payments.

3.2.8 *Quotas* are being used increasingly as control mechanisms. Whilst they are effective in this respect, they work against fair competition and have a stultifying effect on the restructuring of the industry. It is important in this regard to distinguish between milk quotas, which limit *production* (and which are linked to the land) and other quotas, such as those for sheep and suckler cows, which merely limit *entitlement to support*. While quotas remain,

we believe they should be fully tradable within the European Union (Germany, for instance, currently has a large bank of unused milk quota). As the reduction in price support bites, however, they will be seen to be unnecessary, will lose their tradable value and should be phased out.

3.2.9 A good example of the distortions introduced by the CAP is provided by the current subsidies for the production of tobacco. As the Court of Auditors report published in January 1994 showed, the tobacco grown is of sub-standard quality and much is dumped overseas with the aid of large export subsidies. The EU should bring forward proposals for the rapid phasing out of the tobacco regime, with the money saved used to finance the necessary restructuring of the relevant local economies.

3.3 Reforming the CAP: Countryside Management Contracts

3.3.1 Despite its difficulties the mechanisms of the Common Agricultural Policy still provide the starting point and the main route to provide support to the rural economy; and of course provide the necessary underpinning for Europe's production of food. The latest CAP reforms provide a breathing space whilst long term strategic solutions can be pursued. For the CAP to be supportable in the long term, however, it must meet the needs of the EU as a whole. These include, we believe:

- A positive contribution to European economic, social and political development.
- The radical restructuring of the agricultural and food sectors, aiming to create a market-based economy without price intervention.
- Promotion of environmentally sustainable methods of agriculture.

3.3.2 The reformed CAP must fall within the current GATT conditions, should address the eventual problem of further reductions in indirect support and must be acceptable to

urban taxpayers. It cannot, therefore, be permanently based on indirect price support. The simple removal of *all* financial support, however, would simply force farmers to despoil the countryside in a desperate attempt to remain competitive. Instead, a system of direct payments to farmers is needed to offset reductions in farm incomes and the costs associated with the stewardship of the countryside. Only in this way can they continue to be economically viable without becoming prairie farmers.

3.3.3 The CAP must therefore cease to be a system of indirect price management and become a programme of direct payments for economic, environmental and social goals which benefit the wider community as well as those directly involved. Such a market-based rural economy, besides avoiding the build-up of surpluses, will enable farm businesses to become competitive with producers in the EU and beyond. By targeting support, the current leakage of huge sums of public money can be turned round and invested to maximum effect, meeting specific national and regional objectives.

3.3.4 This programme can only be funded by releasing CAP resources which are now wasted. It is far better to offer farmers incentives for positive management of the countryside than to impose more and more environmental conditions on set-aside and area payments in the forlorn hope of putting an essentially pointless policy to good use. We envisage the new system being introduced over time as price support is phased out and money is reallocated via other relevant EU budget heads, such as Objective 5b Structural Funds.

3.3.5 To be sustainable, a direct support system must both deliver benefits to the wider community and enhance the ability of farmers to earn a living from their land in a competitive market. It should *not* be designed to set the countryside in aspic or turn it into a theme park. The benefits should include environmental improvements, enhanced leisure opportunities and support for communities; simplicity and economy in operation; and the

ability to vary the system to suit local conditions and priorities. The system we propose is, therefore, flexible, multifaceted and subject to regional variation and local consultation. We call for the introduction of our new scheme - 'Countryside Management Contracts' - throughout the EU.

3.3.6 Countryside Management Contracts would be available to all farm businesses and land managers who chose to take them up. Each would be able to choose from a wide-ranging 'menu' of options, including, for example, extensification of production, conversion to production of organic and 'conservation grade' (reduced input) foodstuffs, safeguarding plant and animal habitats, hedgerow planting, landscape preservation and enhancement, and provision of public access. Menus would vary regionally; they would be drawn up by the Welsh home rule government and the regional governments we propose throughout England, in constant consultation and dialogue with local communities, especially farmers. Farmers in special areas, such as National Parks, would be offered incentives appropriate to their special needs and problems.

3.3.7 Each item on the menu would be worth a certain number of points, with each point carrying a money value related to the overall fund available; each farmer could claim payments up to a maximum per holding. This upper limit for support is necessary for two reasons. It would help to control costs, which otherwise could spiral out of control, as occurred with intervention buying. It would also ensure the targeting of support on small farmers, many family farms and those farming in the hills and uplands.

3.3.8 This system of Countryside Management Contracts develops from experience gained in operating the Environmentally Sensitive Area scheme and Countryside Stewardship in the UK, and the Market Relief and Cultivated Landscape Compensation Scheme in Germany. Both have proved popular and effective and have the confidence of the industry. The system would

be relatively simple to administer; in the first instance, at least, it could be undertaken by MAFF regional staff who already administer ESA payments efficiently and cheaply. A parallel reappraisal of CAP objectives and methods is already under way in other EU member states, and we see no difficulty in achieving this reorientation within the European framework.

3.3.9 There is no reason in principle why Countryside Management Contracts could not operate temporarily alongside area payments, and this is likely to be necessary to assist a smooth transition from the current system to our proposed one. For the reasons set out above, however (chiefly the lack of wider benefits), we believe that area payments should be phased out along with set-aside.

3.3.10 A number of the direct payments currently in place under the CAP can usefully supplement the Countryside Management Contract system, particularly for areas of marginality and vulnerability. This applies particularly to ewe and suckler cow premia and the Less Favoured Area (LFA) supplementary system on which the survival of hill and upland farming depends. Incomes in this sector have collapsed disastrously and opportunities for diversification within and outside the industry are limited, because of the very high capital costs entailed.

3.3.11 There are good environmental arguments for maintaining upland farms; these areas represent unique and irreplaceable landscapes and habitats. Their appearance will only be maintained if farmers can be enabled to operate traditional livestock enterprises, principally beef and sheep. To fulfil environmental objectives (for example, the prevention of over-grazing), additional elements can be built into appropriate Countryside Management Contracts, or specific supplements paid. Liberal Democrats have headed parliamentary opposition to cuts in the Hill Livestock Compensatory Allowance budget and aim to restore them at the earliest possible moment.

3.4 Sustainable Agriculture

3.4.1 One of the main aims of our reforms of the Common Agricultural Policy is to work towards the objective of environmental sustainability. Farming has traditionally been associated with 'stewardship' and the safeguarding of the resources which make up the countryside. As agricultural systems have become more specialised, and the scale of operations has grown, however, stewardship of the countryside can no longer be taken for granted. Livestock and crop production systems are often separated, resulting in artificial fertilisers replacing animal manures as a source of nutrients. Chemicals, including pesticides and hormones as well as fertilisers, are applied widely, requiring energy use (and hence pollution) in their manufacture and risking residues in the final food products. Livestock are kept in larger, more specialist, units and the resultant slurry is often treated as a waste product for disposal rather than as a valuable source of nutrients or energy.

3.4.2 We therefore aim to encourage agricultural systems which are 'cyclical' or 'closed-system' in nature - less reliant on inputs of fuel, fertiliser and pesticides and less prone to degrade and deplete soil and water resources. We have long called for incentives to farm land less intensively ('extensification'). The reformed CAP regimes for beef and sheep go some way down this road, since payments are linked to conditions on the amount of land which must, in theory, be devoted to the stock. Environ-mentally- and Nitrate-Sensitive Areas (ESAs and NSAs) help encourage lower intensity production, but apply only to small pockets of the countryside. We see our system of Countryside Management Contracts as the way to apply this approach nationwide, to arable farming as well as to stock rearing and finishing.

3.4.3 Countryside Management Contracts would also include incentives for the production of organic and 'conservation grade' (reduced input) food, which has considerable environmental benefits. There is undoubtedly scope to grow more organic food in the UK;

70% of present consumption is imported. As well as direct incentives through Countryside Management Contracts, we would introduce assistance to organic growers under the EU agri-environment programme, rather than limiting support to the costs of conversion.

3.4.4 We would encourage the current trend towards integrated pesticide management and more efficient use of fertilisers, seeking to ensure that less of the nitrate produced in the cropping process is leached to contaminate water supplies. Countryside Management Contracts would include incentives to reduce the use of nitrates, and in sensitive areas the current NSA regime should be continued. We would also apply taxation to fertilisers and pesticides; this would be introduced at a low level and gradually increased over time. Studies show that taxation alone is unlikely to have a large impact on chemical use, but it would raise revenue to cover the costs of the pollution caused. (See Federal Green Paper 32, *Taxing Pollution, Not People* (1993)).

3.4.5 Agriculture can also make a direct contribution to reducing the economy's dependence on scarce reserves of fossil fuels. There is considerable scope for the development of crops with an industrial rather than a food potential, such as oilseed rape and sunflowers, and the development of biofuels from cereals, arable coppicing and more traditional forestry. Countryside Management Contracts would include incentives for their production, and they would also benefit from the introduction of the carbon/energy tax we propose in *Taxing Pollution, Not People*, which would increase the relative price of fossil fuels. This area is dealt with at more length in paras 3.6.5-6.

3.4.6 Research and development is of particular importance in all these areas. Agriculture generally and soil fertility in particular have suffered from the fact that chemicals have provided an easy short-term answer to demands for constantly increasing production. Research now needs to be focused on finding the best ways of producing high

quality food whilst conserving the ecological systems on which the future depends.

3.5 Adapting to Change

3.5.1 As the present CAP reforms bite, farmers are tending to diversify into occupations outside agriculture, becoming in practice part-time farmers. Those who remain are intensifying their specialisation in the most profitable areas; the size of holdings is increasing to take advantage of economies of scale and of spreading overheads. Insofar as this diversification helps to provide viable occupations, enhance employment opportunities and strengthen a sustainable rural economy, we wish to encourage it. Alongside this, our further reforms to the CAP will help to protect farming families working limited acreages from the most serious effects of the impending changes. We will assist smaller farmers to reduce costs and become more competitive without having to increase farm size - for instance by joining machinery rings and co-operative marketing ventures.

3.5.2 Those most in need of diversification in farming are in general those who have neither the capital base nor the training and knowledge to make the necessary changes. We would institute a structure of capital grants and soft loans to help farmers achieve sustainable alternatives to farming. To achieve the appropriate planning and execution of diversification plans, business support mechanisms must be readily available (see 3.1.3).

3.5.3 For those remaining in agriculture, there are a number of important areas in which government can take action. At present, farming contributes £7.5 billion to the economy. An important target should be to process much of this produce locally so as to *enhance its economic value*. Training and support needs to be available so that producers can develop a stake in each stage of the food chain, ensuring that the value added is retained and reinvested in the communities where the resources are created.

3.5.4 Primary producers and small businesses (often synonymous) tend to find themselves at a competitive disadvantage in the market. The market power of the small number of food processing giants and supermarket chains is immense and still growing; the discrepancy between farmgate and supermarket prices is far larger in Britain than in other countries. We would act to limit any abuse of market power. *Producers' marketing strength* can be improved by joint ventures with the commercial sector or the formation of marketing co-operatives (which would, incidentally, help counter the trend towards increasing farm size). We would make resources available for individual producers and groups and export marketing initiatives inside and beyond the European Union. The emergence of Milk Marque as the successor to the Milk Marketing Board is precisely the sort of producer co-operative initiative we support.

3.5.5 Given the terms of the support available under the CAP, much food production has been supply- rather than demand-led and there has been little incentive for the agricultural industry to study the *requirements of its customers*. Now all that has changed radically and for their survival farmers must learn quickly to respond to the needs of consumers. A number of specific proposals on consumer policy are contained in Federal Green Paper 30, *Putting Consumers First* (1993). Training and advice for producers is also essential.

3.5.6 The Conservative Government has set about dismantling the Agricultural Development Advisory Service (ADAS), whose advice has been invaluable to farmers. We would restore a free *advisory service*, linking it closely with the Farming and Wildlife Advisory Group, and placing greater emphasis on business management, marketing and training in environmentally beneficial practices. Impartial advice on the production of high quality food at low unit cost would continue to be available through the organisation. ADAS would also be available to advise on the drawing up of Countryside Management Contracts.

3.5.7 In order both to develop sustainable systems and to respond to the developing market economy in farm products, *fundamental and near-market research* is essential. Since the mid '80s central government has withdrawn from applied research and left it to be funded by the industry. This has led to a distortion of priorities and is threatening the competitiveness of UK agriculture. We would therefore expand investment in agricultural R&D, particularly in low-input, low-pollution techniques and areas of major innovation, such as biotechnology.

3.5.8 Traditionally the *tenanted farm sector* has been central to farm structure and has provided the principal door through which able and enterprising young people with limited capital can gain access to a farm and contribute to a viable industry. It is even more important at a time of fundamental change that this opportunity should be available to those with entrepreneurial flair. We support moves to liberalise the sector by tenancy reform.

3.5.9 In England and Wales, County Farms (statutory smallholdings) have a vital role to play in providing a means of entry into farming. Where County Farm Estates contribute to the local rural economy we believe they should be retained. However, the current Government is putting their future in jeopardy. Constraints on local government spending are forcing many councils to sell off their County Farms; and if the outcome of the reorganisation of local government is relatively small unitary authorities, the Estates could be dismembered and reduced to a size which would make them uneconomic to manage. County Councils should look at the feasibility of setting up some form of arms-length arrangement - such as the Trust recently established in Somerset - separately for each county or in partnership with neighbouring authorities, so that this essential route into farming can be maintained. Councils should also review their policy on succession; many have allowed their Estates to be passed on the next generation automatically, blocking entry to new tenants.

3.5.10 The problem for many young farmers, though, is making the next step up the ladder from a County Farm. Private and institutional landlords are becoming more and more unwilling to let land under the current Agricultural Holdings legislation. Liberal Democrats have consistently pressed the Government to bring forward new legislation along the lines suggested by the interested parties.

3.5.11 One important reform that needs to be made to help the agricultural industry is to *reduce excessive bureaucracy*. Although regulations in such areas as food safety, control of pollution, and compliance with CAP support measures are clearly essential, the bureaucracy with which British government surrounds them has proved in many cases wasteful, time-consuming and counterproductive. At the same time, such regulations as do exist must be administered and enforced fully and fairly in all EU member states to create the 'level playing field' that is essential to the proper working of the Single Market. In areas such as pesticide use, regulations should be harmonised throughout the EU.

3.5.12 Finally, agricultural policy should aim to ensure that wages, conditions and training opportunities for agricultural workers should be on a par with skilled workers in other industries. In common with all sections of the farming industry, Liberal Democrats oppose the proposed abolition of the Agricultural Wages Board. The role of the Agricultural Training Board could be extended beyond agriculture, to better support a diversified rural economy.

3.6 Opportunities in the Rural Economy

Teleworking

3.6.1 We now turn to some of the sectors we referred to earlier. The rapid development of new technology and improvements in telecommunications links herald a potential

revolution in the rural economy. Up to one million people in the UK already 'telework' from home full- or part-time, and a further half a million 'telecommute', taking work home occasionally. The potential for such 'distance working' is increasingly being realised: many business and financial services sector jobs could be carried on in this way, together with administrative and clerical jobs; 10% of employers currently use teleworkers. The scope is international; workers in Ireland currently process insurance claims from the western USA, operating overnight by US time. The potential for expanding education, particularly distance learning for adults, is obvious.

3.6.2 The promise for rural areas is obvious, encouraging an influx of new jobs and prosperity and reducing the need to travel long distances for employment (and thereby contributing to the objective of environmental sustainability). Government must ensure, however, that rural areas are not excluded from the benefits; the necessary telecommunications networks must be installed throughout the country, and not just in urban areas. The development of local 'telecottage' centres providing equipment and facilities, and training in their use, and library and information services, should be encouraged. Pump priming grants and soft loans should be available from the Rural Development Commission, in partnership with local authorities.

Tourism

3.6.3 In many rural areas, tourism and outdoor recreation is, or has the potential to be, one of the biggest sources of income and employment. Rural tourism, however, has tended to be treated as the Cinderella of what is itself a Cinderella industry, and needs encouragement. Investment in more successful - and more sensitive - holiday enterprises could pay disproportionate dividends in many rural areas. With the top unemployment blackspots containing many traditional holiday areas, all-weather recreational and entertainment opportunities which spread the season are an obvious target for encouragement. Yet the

Government has slashed the English Tourist Board's budget for such investment.

3.6.4 Five problem areas need to be addressed: the need for a large variety of small scale investments in tourist facilities; the need for investment in basic infrastructure (transport, communications, sewerage, etc); coordinated marketing; the impact of tourism on the environment; and the status of employment and training within the industry. Solutions to these problems include:

- Seeking access to capital from EU sources and welcoming sustainable proposals from private investors.
- Coordinating development, infrastructure provision and marketing at all levels. Specialist marketing by tourist boards with links to local authorities are essential (providing a degree of local control), but coordination at regional level is also required for effective marketing overseas.
- Identifying training needs and offering appropriate local training courses.
- Spreading tourist development more evenly across the country, avoiding excessive concentration on just a few prime sites.
- Ensuring that tourism developments are environmentally sustainable; there is considerable scope for the development of 'green tourism', which concentrates on non-intrusive access to and study of the countryside. All major tourism developments should be subject to environmental assessment.

Tourist initiatives should be planned from the earliest stages, involving the communities concerned in planning their size, scope and nature, thereby promoting sustainable, profitable and acceptable developments to investors and host communities alike.

Industrial Crops

3.6.5 It is principally burgeoning food production which the EU is seeking to control through CAP reform measures. This gives considerable scope for the development of crops with an industrial rather than a food potential; in many cases small commercial projects are already under way. Coppice timber and other crops, some of which may be grown on set-aside land, can be used as a renewable source of fuel for electricity generation. Biodiesel can be used in buses to reduce emissions, particularly in inner cities. Oilseeds and other crops can be used as a source of raw materials for fibres, plastics, and detergents as well as lubricants and biofuels.

3.6.6 These products are generally less polluting (particularly in terms of carbon dioxide, the main greenhouse gas) than their fossil fuel alternatives and can be biodegradable. These new crops can be grown less intensively so as to maximise both the energy ratios and the potential for providing new wildlife habitats. As we have argued in 3.4.5, these are important contributors to environmental sustainability, and should be supported, chiefly through our Countryside Management Contracts and through the application of taxation on energy, which will increase the relative price of the fossil fuel alternatives.

Forestry

3.6.7 The British climate is more favourable to forestry than much of Europe. Yet currently only 10% of the UK's land area is covered by trees (the EU average is 22%) and Britain produces only 10% of its timber needs. Although the demand for timber is growing, the rate of expansion of new planting is falling. As an alternative to intensive food production with positive environmental, economic, employment, and amenity benefits, forestry is clearly ripe for expansion. We therefore reiterate the target we set in *A Thriving Countryside* of a long term doubling of the present UK land area under forestry.

3.6.8 Government therefore needs to adopt a clear and long-term strategy for forestry. The current system of grants and taxation is fragmented and inadequate, and must be reformed as part of our system of Countryside Management Contracts. The grant system needs to encourage planting of new woodlands (particularly of broadleaves), management of existing ones and local processing of the timber to add value to the product. Landowners should have the option of including their woodland enterprise within the income tax system so that costs and losses can be set against other income from the same estate or from other estates. The presumption against planting conifers in upland areas should be modified to allow limited planting within strict environmental criteria. The Forestry Authority should lead in preparing Indicative Forest Strategies and should be responsible for advice and training. Liberal Democrats are firmly opposed to the privatisation of the Forestry Commission and state forests and wish to see them remain under the management of the Forestry Authority.

3.6.9 We support the idea of 'community forests' around major conurbations. Sponsored by the Countryside Commission, the twelve community forests currently planned aim to provide environmental, amenity and recreational benefits to townspeople within easy reach of their homes (they will also help to reduce pressure on National Parks and other such areas). They offer opportunities to improve degraded land and provide pleasant working environments for industry and business on the urban fringe. We would extend the Community Forest concept to much more of the countryside around towns, and even within them; all local authorities should be encouraged to establish areas of wooded or wild land for community access. Agricultural, industrial and commercial landowners would be offered incentives (for farmers, through Countryside Management Contracts) for increased tree cover, restitution of degraded and polluted land and the provision of opportunities for informal recreation and environmental education.

3.6.10 Liberal Democrats continue to support the establishment of the new National Forest, planned for the English Midlands. It should be seen as a long-term economic opportunity which will bring

renewed activity and employment; a long-term commitment from government is therefore necessary. The National Forest Strategy should include increased emphasis on marketing and processing woodland products, and short rotation coppice where conditions are suitable.

Horticulture

3.6.11 Horticulture (vegetables, fruit and flowers) is an important sector in the UK. Its lack of subsidy has contributed to its readiness to meet the market, and enabled it to overcome the disadvantage of high labour and capital costs; lessons can be drawn here for the rest of agriculture. Nevertheless, the number of wholesale buyers of fresh produce is dwindling and the power of supermarkets to force down prices and dictate contractual terms may eventually succeed in wiping out the smaller grower. Lack of attention to marketing in Britain has allowed Dutch growers to capture 70% of the huge domestic market for pot plants, flowers and ornamentals. Absurdly inflexible benefit rules have discouraged casual working to a critical point, penalising British growers to the disadvantage of overseas competitors. Competition from other countries with environmentally unsustainable practices may drive British industry to adopt similar methods to remain competitive.

3.6.12 To remain a successful industry, horticulture must capitalise on its strengths: relatively high standards of plant health and pesticide regulations; superior husbandry techniques; the freshness and flavour of home produced products; and unique varieties of fruit. The emphasis on improved marketing, added product value and increased research that we have set out above (see Section 3.5) is therefore essential. A national promotion and marketing body for all UK horticultural products, funded by a levy on the industry, would be valuable; we would organise a national growers' referendum to propose its establishment. We would introduce 'prompt payment' legislation to ensure that perishables are paid for within 21 days of delivery, and insist that imported produce met the same standards of health and safety as domestic produce. We would review the social security regulations which discourage casual working.

The Physical Environment

4.0.1 The UK possesses a landscape which is remarkably diverse and attractive, given its relatively limited area. Much of its character derives from the fact that since neolithic times it has been managed. If its character is to be maintained and enhanced, this management needs to continue; it is this belief which underpins our proposal for the system of Countryside Management Contracts (outlined in Chapter Three) to replace the current CAP.

4.0.2 In protecting the physical environment, rural policy needs to tackle problems of pollution, water supply, soil erosion and degradation, damage to fragile ecosystems and wildlife habitats, and conservation of valuable landscape features. Our aim is *conservation*, not *preservation*, which requires active management of the countryside. Thriving rural communities are therefore an integral part of this commitment to sustainability.

4.0.3 Environmental sustainability and economic prosperity are not opposites, as some have argued; they are complementary. Indeed, each depends on the other. For example, without a policy of sustainability, over-intensive farming and the soil erosion it causes will have destroyed much of Britain's best farmland within a century. Environmental objectives are therefore important elements of the Countryside Management Contracts that we propose as a replacement for the CAP.

4.0.4 Two imperatives must be achieved in the use of surface and ground water resources: high quality for current human, livestock and wildlife use; and adequate good quality supplies for future generations. Steps need to be taken to reduce levels of nitrates and pesticide residues; see 3.4.4. Supply needs to be improved, primarily through a much stricter conservation regime (the average leakage through the pipe network is currently 25%).

4.0.5 Soil is a precious natural resource which takes between two and twenty thousand years to form. Present farming methods are accelerating wind and water erosion, and the highest priority is to change farming methods (eg by less intensive farming, changing crop types or different ploughing regimes). Practices which lead to water or wind erosion must be discouraged, and those which are effective in combating erosion, such as contour strip ploughing, planting of windbreaks and permanent set-aside along the edges of watercourses, should be encouraged.

4.0.6 Many of Britain's diverse habitats are under threat along with the species that depend on them. Their protection is necessary to maintain biodiversity, which is valuable not only for its own sake but for the enhanced resistance to disease that genetic diversity brings. Habitat protection should not happen, however, through an artificial 'zoo' approach, except where absolutely essential. A diversity of habitats contributes value to landscapes and the rural environment in general. Our proposed Countryside Management Contracts would provide an effective framework for habitat protection, though legal sanctions may in some cases be necessary.

4.1 Protecting the Landscape

4.1.1 Landscape protection is currently subject to a multiplicity of different designations, including National Nature Reserves, Areas of Outstanding Natural Beauty, Sites of Special Scientific Interest and green belt, with much resulting confusion. There is a clear need to reassess their objectives, criteria and scope to create a single coordinated framework. We believe that *all* the rural landscape is important; the current system concentrates attention merely on the 'designated areas'. Important though the landscape is, it must not be preserved in frozen perpetuity at the

expense of the livelihood of the local community; a balance must be sought. In this, landscape differs from water, soil and habitat in that it does not have to be maintained in precisely the same form and it can evolve and be enhanced: *change* can be acceptable but quality and as many 'wild areas' as possible should be maintained.

4.1.2 The key new element of our policy framework is that the designation of an area, with specific characteristics and requirements on land owners, should automatically lead to a choice of support tied to individual environmental, recreational or other benefits. These can vary by region as well as by area designation.

4.1.3 Areas of Outstanding Natural Beauty should not become the museums of a declining agricultural industry. Strict landscape regulation should still apply, but many of the characteristics of the countryside can only be maintained by a working rural population. Countryside Management Contracts for farms and rural businesses in designated areas should allow for increased incentives for landscape maintenance, restoration and public access.

4.1.4 Liberal Democrats welcome the Norrie Bill, currently before Parliament, which seeks to give independent status to the National Parks Authorities - as recommended by the Edwards Report, *Fit For The Future*. The independent authorities should include representatives from local government. They should be the planning authorities for the Parks, having full planning powers over all major development including mineral extraction, roads, tourism and military training licenses. All development should be considered within the framework of strong new environmental criteria, which should include sustainability and habitat conservation as well as landscape considerations and the well-being of local communities. Farmers and landowners within the Parks should receive enhanced payments through Countryside Management Contracts for the maintenance of traditional landscape features.

4.1.5 Britain's coastline is of importance both for its environmental and economic impact. We are committed to the concept of integrated Coastal Zone Management and the need for a national strategy for coastal management, for the whole coastline and not simply areas under pressure. High priority needs to be given to developing facilities for recycling sewage rather than disposing of it at sea. Where any decision to set back a line of sea defences results in a saving of public expenditure, there may be scope to compensate those whose investment behind the existing sea wall is lost as a result.

4.1.6 Liberal Democrats aim to encourage public access to the countryside for leisure and recreation. Countryside Management Contracts would include incentives for landowners to extend access. Public access should be developed by local authorities, land managers and the tourist industry in partnership. It should be managed so as to be beneficial to the local economy while safeguarding the quality of life of local residents and the local environment. Public rights of way should be legally defined, free from obstruction on the ground and appropriately signed and publicised so that they can be enjoyed by all. (See further in Section 3.6 on Tourism, and on Community Forests.)

4.1.7 We would introduce legislation to provide for managed public access to all the one and a half million acres of common land in England and Wales; legal rights of access cover only about one fifth of this area at present. This would be balanced by provision for management schemes to safeguard traditional agricultural practices, in line with the agreement reached by the representatives of farming and access interests (the Common Land Forum) in 1986.

4.2 Planning in the Countryside

4.2.1 The planning system has a crucial role to play in meeting environmental objectives. In particular, it can help in maintaining the viability of village communities; in moving agriculture to more sustainable environmental practices, especially where this leads to less net

energy consumption; and in developing reward systems that encourage the conservation of habitats and landscapes. Liberal Democrat policies for planning are set out in more detail in English Green Paper 7, *Planning for Sustainability* (1993). Here we deal only with issues specifically related to rural areas.

4.2.2 In general the planning system needs to have built into it a much stronger presumption in favour of conservation. At present, since much land has a low 'economic value' on current criteria (even though it may be of high conservation value), there is overwhelming pressure to use it in the most unsatisfactory way - Twyford Down is a classic example. We believe that the criteria should be oriented instead towards goals such as reclaiming areas of dereliction and reinvigorating areas which have suffered rural deprivation and depopulation.

4.2.3 This requires changes in planning policies at both national and regional levels. In particular, there is an important role for planning authorities in controlling sensibly scaled developments according to the wishes and aspirations of the populations they serve. One priority to be addressed at this level is reversing the current habit of divorcing employment from habitation. Work, housing, services and amenities need to be developed together to create and maintain integrated communities, reducing pressures for commuting and the accompanying pollution and traffic congestion.

4.2.4 The key feature of our planning policies is the Local Plan, prepared by the district planning authority, fitting into the framework of the appropriate central and regional plan, and covering an area or community with which local people can identify. This establishes an intelligent and sensitive framework within which development control can then be exercised.

4.2.5 New institutional arrangements must be developed to ensure that local people participate fully in shaping the development of their local area. In addition to increasing consultation at every stage of the planning process, initiatives

such as 'planning for real' offer direct opportunities for local people to become involved in directing and guiding development and the process of local change. This method involves very large scale public consultation using actual models of the planning proposals; people are encouraged to experiment with ideas of their own and feedback is fully taken into account.

4.2.6 There are two issues in rural planning we wish to highlight. One is hedgerows, which are critical to the conservation of all kinds of wildlife. We support legislation to introduce Hedgerow Protection Orders, to complement an expansion of the existing financial incentive scheme. The maintenance of hedgerows would, of course, feature prominently in Countryside Management Contracts, creating added incentives for their protection.

4.2.7 The second feature is farm buildings. We would bring farm buildings within the remit of the planning authorities, subject to the agreement of a schedule of permitted development. We would encourage the conversion for alternative use of redundant farm buildings which harmonise with the landscape. We would give priority to alternative forms of economic use, but would not rule out conversion for housing.

4.2.8 There are, however, many redundant buildings in the countryside, whether on farms or elsewhere, which cause planning committees great difficulty: those which are not built of traditional materials, are large and obtrusive, and for which no satisfactory alternative use can be found. We propose that in such cases the planning authority, in consultation with the landowner, should have the power to declare such a building redundant and without alternative use (in order to remove any 'hope' value from the site). The building would then be eligible for a redundant buildings grant, which would pay for its demolition, the removal of any building rubbish to a licensed site and suitable landscaping. Replacement by agriculture or forestry would then be the only acceptable alternatives.

Rural Communities

5.0.1 Rural communities are in general small in size and situated at some distance from large centres of population. These characteristics bring both advantages and disadvantages. Their small size and their obvious geographical identity usually mean that rural communities prove more cohesive than urban ones - which brings benefits in the form of greater mutual support and lower crime rates. Their size and situation, however, means that access to facilities and services is more limited. Levels of poverty can match or exceed those of many inner cities, yet are less visible because they are less concentrated - and are also often hidden beneath the veneer of affluence deriving from rich 'incomers' owning second homes.

5.0.2 The particular issues facing disadvantaged people (elderly people, people with physical and mental disabilities and their carers, single parents, young people, the unemployed and the low waged) in rural areas include physical and social isolation; difficulties of access to information and services; a lack of public services and low expectations; a lack of choice; visibility within a small community and fear of stigma; and pride in coping against the odds, preventing them seeking help. Often these disadvantages feed on and reinforce each other, creating a vicious circle of deprivation and inequality.

5.0.3 Of these difficulties the key factor leading to rural disadvantage is the problem of *access*. Many of those most in need of health care, for example, or social services, are also those most likely to lack access to a car. The decline of rural bus transport mean that services available in the next village are, in practice, as inaccessible as those ten miles away. These problems have been aggravated by the run-down of many of these services in villages and their concentration in towns. People in rural areas travel on average 40% further to work or to school than urban dwellers. Those seeking work

or collecting benefits can spend a considerable amount of their limited funds on travel.

5.0.4 Some of these factors are to a certain extent an inevitable concomitant of living in the countryside. Liberal Democrats believe, however, that there is a basic minimum level of services which should be available to *every* individual. A combination of policies is needed to improve access for rural communities:

- A change in the planning system to encourage the redevelopment and maintenance of viable communities encompassing homes, work and services (this is also environmentally beneficial, as it reduces the need to travel).
- The retention of service centres (hospitals, schools, etc) outside urban areas.
- The development of peripatetic services (ie ones which travel to their users).
- The greater use of new technology in dealing with enquiries and transactions, and in delivering services such as education.
- The establishment of 'one-stop shops' and mobile offices for services provided by local authorities and other agencies,
- Investment in community facilities, including village halls, shops and post offices.
- The decentralisation of as many functions as feasible to the tier of local government closest to them, the parish (or town or community) council (see further in Chapter Six).

5.1 Transport

5.1.1 Transport is the key to most problems of access. Whilst a car may be a luxury for city

dwellers, it is usually a necessity for those living in the countryside (and this often implies the need for more than one car per family). The development of distance working (see Section 3.6) will in due course reduce, but will never eliminate, the need for travel. For economic, social and environmental reasons, therefore, we believe that government transport strategy must concentrate on improving *public* transport, and we are committed to a significant increase in funding in this area. (For further details, see Federal Green Paper 19, *Vehicles for Change* (1991; now being updated).)

5.1.2 A comprehensive and imaginative approach is required. The development of Community Transport Strategies should be a mandatory responsibility for local authorities, and they should possess sufficient resources to implement them properly. National criteria should be set down defining broad minimum standards of transport provision, taking into account the distribution of population and requirements for regular access at convenient times to essential facilities such as railheads, market towns, shopping centres, hospitals, schools and social facilities. Local authorities would have the responsibility for preparing public transport plans which at least met these minimum standards.

5.1.3 A Community Transport Strategy should include many different options, such as community car/minibus schemes, dial-a-ride schemes, postbuses and off-peak use of school, social services and similar vehicles. Transport users with special needs, such as people with disabilities, must be catered for. Local authorities should use the process of contract-setting to increase the proportion of easy-access buses and taxis used by commercial companies. Voucher or token schemes whereby particular groups of people (such as those aged over 65) are entitled to tokens for use on any form of transport they choose should also be employed.

5.2 Housing and Homelessness

5.2.1 The provision of housing is a serious problem in rural areas, with estimates of those in need running as high as half a million. The Rural Development Commission reported in 1992 that 16,800 households had been declared statutorily homeless in the more rural housing districts, with another 5,000 in bed and breakfast accommodation. The key problem is an acute shortage of affordable accommodation which would enable people to remain in their communities. This not only results in the destruction of once-viable communities but also contributes to the housing problem in towns and cities. There is also a shortage of local sheltered housing.

5.2.2 Liberal Democrats believe that local authorities are best placed to act as strategic identifiers of need and, where appropriate, providers of housing. They should be freed from the present need to retain capital receipts and to subject their housing management role to competitive tendering. We see no real advantage in either. The vast majority of rural councils perform a good and cost-effective job, as borne out by successive reports from the Audit Commission. Resources can thus be freed both for housing needs studies and for the direct provision and renovation of housing. The advisory role of the Rural Development Commission is valuable, and could usefully grow into active participation.

5.2.3 Local authorities should adopt a variety of schemes, either on their own or in partnership with housing associations and co-operatives, to improve the provision of affordable housing. Where land has no clear amenity, conservation or agricultural value and where it will not fundamentally conflict with the aims of the District Local Plan, there should be the possibility that it could be zoned for social housing, with the benefits of such planning gain being used to help finance it. We would give every encouragement to the purchase of repossessed houses by both local authorities and housing associations; this helps to meet tenant

needs without generating a requirement for more land.

5.2.4 Further action can be taken to secure a greater supply of rented accommodation by developing planning policies which stipulate that a fixed percentage (say, 20%) of land allocated for housing in local plans should be reserved for the rented sector. It is particularly important to relate this kind of condition to developable land areas rather than to number of properties since the latter will result in cramped second rate properties for rent.

5.2.5 Second homes are a contentious issue. In some areas their concentration is such that they can threaten the viability of the established community, and steps to reduce their spread are justified. By a simple adaptation of the development control criteria to separate second homes from 'main residences' (defined for Council Tax purposes), we would enable communities to make a choice on the balance between the two. We would also legislate to enable local authorities to increase Council Tax rates on second homes; when we reform the system of local government finance, second homes would be subject to site value rating, with similar effects. The revenue raised would then be reinjected into local affordable housing.

5.2.6 There are a growing number of single young homeless people who fall outside the current criteria for assistance. We would encourage partnership initiatives between housing authorities and the voluntary sector so that council housing could be made available for short stay accommodation, managed and 'wardened' by local voluntary groups.

5.3 Rural Services

5.3.1 We do not repeat here the proposals set out in full in other Liberal Democrat policy papers, particularly those covering health, community care, education, and crime and policing. Instead, those aspects of most direct relevance to rural policy have been highlighted. Our emphasis is on the development of both *local* and *peripatetic* services.

Health

5.3.2 In health care, this includes retaining and in some cases establishing small community hospitals. Community hospitals are greatly valued by the communities they serve and can be the focus of a great deal of other community activity, including day hospitals, clinics, ante- and post-natal services and dental facilities. Out-patient facilities based on community hospitals are far more satisfactory and make better use of resources than departments in large and often remote district hospitals. In the future it is probable that these community hospitals will be the source of most health care in rural areas and only high tech and sophisticated work will be done in district hospitals. Liberal Democrats are committed to the retention of small community hospitals and support the provision of these services where they do not currently exist.

5.3.3 We see significant scope for the development of peripatetic primary and community health services, from chiropody to family planning, with strong links with local social services. One of the main activities of the voluntary sector in rural areas is to provide transport for patients. While we applaud and encourage this kind of support, it is wrong that people should have to depend on it - some of the reasons for this are explored below (see Section 5.5).

5.3.4 The establishment of primary health care teams, involving GPs, practice nurses, health visitors, district nurses, community midwives and social workers (as described in Federal White Paper 5, *Restoring the Nation's Health* (1992)) would be of major importance in the delivery of high quality primary health care in rural areas. Even care normally provided in hospitals can be provided in the community, as the 'Hospital at Home' scheme pioneered in Peterborough, and now adopted elsewhere, has shown. Suitable patients are offered treatment at home rather than in hospital, or discharged much earlier, with care and help provided by GPs, nurses and other health professionals. Such schemes help to improve the quality of life of patients, are very popular and may be

cheaper in the long run; central government should provide resources for pilot schemes and pump-priming.

5.3.5 There should be special financial arrangements to enable rural pharmacies to survive in areas of scattered population; we would retain the Rural Dispensing Committee. Our aim is to ensure that local people have access to a reasonable range of medicines, both prescribed and otherwise, without having to travel unreasonable distances. More use should be made of community nurses with prescribing rights for a basic range of medications.

Education and Young People

5.3.6 Over 40% of schools in rural areas teach less than 100 pupils, and schools with less than 50 are common. Secondary schools are often 10 to 20 miles apart. Clearly in these circumstances, choice is highly limited. Yet the maintenance of primary and secondary schools is vital: they help to build and sustain thriving communities not only through educating children (and thereby ensuring that families are not forced to move away) but also through the facilities they can offer to adults.

5.3.7 Funding formulae for education authorities must recognise that rural schools often face higher costs and can only attract a limited number of pupils; extra resources should thereby be provided to enable local authorities to keep schools open. Specialist teaching experience in subjects such as art, music and science should be shared between schools. To facilitate this approach, education authorities should form rural primary schools into clusters, or federations, with extra resources where appropriate. The use of computers and telecommunications links - including the 'white board' (an electronic version of a blackboard, enabling teachers and pupils in different schools to communicate with each other) already in use in some areas - offer an enormous potential for improving access to a wider spread of educational experience, and can also help to keep small local schools open. These developing techniques are also applicable to adult

education, and we would offer them every encouragement and support.

5.3.8 Schools in rural areas can help to provide focuses for community activities by opening up their facilities and making maximum use of buildings and equipment. Catering facilities could be used by older people during the day and sports and art facilities by community groups at weekends. Valuable resources such as computers could be used to provide courses for the unemployed. Other community facilities, such as village halls and community centres, can also provide the basis for further education and training (see 5.4.3).

5.3.9 Young people in rural areas frequently suffer from isolation, boredom and frustration - and all too frequently turn to crime as a result. Funding needs to be available both to the local authority youth service and to youth organisations to provide young people with advice and information, youth work provision, and access to leisure activities and to social welfare agencies. Youth clubs, mobile youth units and activities should be encouraged and suitable transport facilities provided. Travelling 'playbuses' for young children help in developing social contact. An active youth policy is essential if breadth of vision and opportunity are to be offered to young people in isolated communities.

Crime and Policing

5.3.10 Crime is a matter of increasing concern in many rural communities, where levels are now climbing at a faster rate than in the towns. Isolation and a lack of access to employment opportunities fuels frustration and criminal behaviour. The Liberal Democrat approach (set out in Federal Green Paper 22, *Justice and Security in the Community* (1992)) of an emphasis on community crime prevention strategies involving residents, police, local authorities and other agencies in partnership provides the best way forward.

5.3.11 We favour a redeployment of police resources to increase visibility in communities, including stationing police officers in large

villages and small towns; a much better approach than recent proposals for 'parish constables'. We would ensure that the network of properly trained Special Constables is adequately funded to allow for at least one Special to be based in any village that requires one. We would also increase the allowances provided for police cars so that forces are not left in the ludicrous situation of having to limit the distance that officers may travel in any one shift.

5.4 Community Facilities

5.4.1 Community facilities - post offices, shops, village halls, libraries and so on - provide the physical infrastructure within which rural communities can thrive. Liberal Democrats recognise that it is essential for local people to determine their own needs in this area. We would therefore encourage the preparation of village appraisals, with suitable help from local authorities. County-wide Rural Community Councils (RCCs) act as advocates of rural areas, promoting and supporting innovative approaches to economic and community development. This is a valuable role and we would ensure that funding was available for it to continue.

5.4.2 The post office is a focal point of modern village life. Yet over 2,000 have closed since 1979, and it is estimated that another 1,000 are shortly to follow. We would reverse this trend by granting exemption from business rates for the part of the premises which is used exclusively for post office purposes, and opposing the Government's proposals for Post Office privatisation (see Federal Green Paper 26, *After Privatisation* (1992)). We aim to see all post offices develop into the role of 'community offices', providing services such as vehicle licensing or paying utility bills, council services, and access to information. We would provide investment for the new technology needed to create links with council offices, advice centres, and government agencies, as well as to banks, building societies, insurance brokers, and so on.

5.4.3 Village halls and community centres are equally pivotal to the life of rural communities. If well equipped and suitably modernised, they can provide a base for education and training courses, youth facilities and a whole range of other activities, including in particular the distance working referred to in Section 3.6. Many, however, were built long ago and are in urgent need of upgrading and refurbishment. The present system of providing grants and loans, financed by local authorities acting jointly, should be strengthened, with RCCs or local authorities acting as assessors and grant makers. In many cases, rationalisation of the facilities available to particular communities may be needed, with some of the older and smaller halls being sold so that more money is available to upgrade and maintain the remainder.

5.4.4 Shops are of course an essential service for the rural population, especially for those who do not have access to a car; they often contain the sub-post office. In order to facilitate their retention and development, local authorities should have discretion to provide up to 100% relief from local taxation for shops in the very smallest communities, especially in thinly populated areas. We would also encourage RCCs and local authorities to initiate the formation of community shops, jointly owned by local people.

5.4.5 Access to books, videos and recorded music is important in the context both of continuing education and leisure. In rural areas, however, this can involve lengthy and often inconvenient journeys to large centres of population. We would encourage local authorities to maintain and improve the Mobile Library Service. Rural communities should provide library facilities attached to village halls and community centres, and rural schools should open up their library facilities to local children in the holidays. Investment in new technology would enable libraries (and schools and community centres) to enjoy greater access to information and access to central library catalogues, through which materials can be ordered for delivery by mobile libraries.

5.4.6 Access to mains electricity is taken for granted by most people. Yet in some remote regions, the cost for domestic connection can be as high as £15,000. Before the privatisation of the electricity industry, it was possible to provide connection at a price below the market rate, and bodies such as the RDC were able to allocate grants. Privatisation has ended this provision, a step which we believe is unacceptable. We would legislate to allow for socially necessary connections at below-market charges.

5.5 The Voluntary Sector

5.5.1 In rural communities with few local services, either statutory or private, the voluntary sector has a particularly important role. Voluntary organisations and community groups are active in:

- Providing services locally that complement or enhance statutory provision.
- Identifying new needs and responding to them in innovative and flexible ways.
- Campaigning for particular causes.
- Joining with the statutory sector in policy planning.
- Stimulating local partnership and volunteering.
- Providing leverage to attract additional funds from the private and charitable sectors and from the EU.

The voluntary sector has a crucial role to play in particular in community care, economic development initiatives, community arts and environmental projects. This role can only be fulfilled if a partnership of equals is established between the voluntary, private and statutory sectors.

5.5.2 One aspect of the need for this sort of joint working is particularly well exemplified by the problems facing community care. The three principal agencies involved - social service

departments, health authorities and the voluntary sector - tend to act separately and in an uncoordinated way. This leads to inefficient, wasteful and ineffective service delivery, often leaving users and carers institutionalised in their own homes. This is particularly damaging in rural areas, where isolation and the dispersed nature of those in need make a coordinated service essential if limited resources are not to be squandered. We would, therefore, encourage the statutory and voluntary sectors to join in innovative projects which fully integrate services and in which users and carers will be equal partners.

5.5.3 Currently the voluntary sector faces particularly acute difficulties. Compared with urban areas, the rural voluntary sector is small and under-resourced. Many groups have no paid staff, and all rely heavily on volunteers. Yet in the present climate of the 'contract culture' voluntary groups are expected to be more and more professional and are being increasingly required to work within a contract to deliver services. Larger organisations can cope with this new requirement, and if it is sensibly negotiated may even welcome it, but small groups find it threatening. Additional problems arise from the fact that those who might volunteer increasingly need paid work, so that the pool of volunteers is reducing and the sector is becoming increasingly dependent on the early retired.

5.5.4 To tackle these problems we aim to develop a flexible approach to contracts so that voluntary groups feel comfortable with the funding arrangements with which they are involved. We would encourage local authorities and colleges to provide training courses in voluntary group management. The involvement of Rural Community Councils and Councils of Voluntary Services are important; these bodies, the 'infrastructure of the voluntary sector', need support. We also reiterate the need for service programmes to begin with a proper assessment of local and individual needs. Finally the voluntary sector must retain its own unique ethos, something which an inflexible 'contract culture' approach could severely damage.

Institutions

6.0.1 It has been a constant theme of this paper that rural communities will only prosper if they themselves take control of their development, both social and economic. The structure of government and of the relevant statutory agencies is therefore crucial to rural policy.

6.0.2 The current over-centralisation of power in the UK frequently leads to the different circumstances and needs of rural Britain being ignored. Our proposed reforms to the structure of government within the UK (see Federal White Paper 6, *Here We Stand* (1993)) aim to provide the framework within which local communities can take control of their futures. Each tier of government - European, national, regional and local - has a role to play in rural policy.

6.0.3 The patent inadequacy of the 1992 CAP reforms in the UK has led some to call for the complete 'repatriation' of agricultural policy from the EU. We do not believe that a dramatic change of direction of this nature is either possible or desirable. Within the Single Market, the present 'uneven playing field' would tilt further to the disadvantage of UK producers, as British farmers faced higher costs without compensating resources for marketing or other forms of support. The EU framework for agricultural and rural policy must therefore be maintained; within that a degree of national, regional and sub-regional diversity is of course appropriate, along the lines developed in this paper.

6.0.4 At central government level, the Ministry of Agriculture, Fisheries and Food has been obsessed by production considerations. Its record in the negotiations over the evolution of the CAP has been reactionary, and its failure to secure better targeting of support is abysmal. In recent years, agricultural policy has been Treasury-led, with the most vulnerable sectors, family farms and landscapes suffering accordingly.

6.0.5 We would not, however, follow the superficially attractive solution of a 'Ministry of Rural Affairs'. Not only would this increase the tendency to divorce mainstream policy development - in employment, transport, education, health, policing, housing and environmental protection, for example - from the interests of rural communities, but it would imply that the countryside is only of concern to those who live in it. As this paper makes clear, our concern is for an overarching national asset, demanding the attention of every branch of government.

6.0.6 Our proposed reforms of government include the creation of a Department of Natural Resources with sole responsibility for environmental protection. This new Department would be the lead department for rural policy, taking over the main functions of MAFF, and developing the holistic approach to the economy, services and environment of the countryside (and coast) that we demand. Only the policy roles relating to food processing, health and consumer protection would be reallocated, chiefly to a new Food Commission (see Federal Green Paper 30, *Putting Consumers First* (1993)).

6.0.7 We recognise, however, that there is a need for more effective coordination between all departments whose policy development requires a rural dimension. The recent admission by a former countryside Minister that he was unaware of the DSS threat to remove pension and benefits business from sub-post offices demonstrates this all too vividly. We therefore propose the establishment of a Rural Policy Unit at Cabinet Office level, with responsibility for monitoring and reporting on the impact on rural areas and communities of government policies, and for suggesting rural policy initiatives.

6.0.8 The regional parliaments which we envisage throughout England, and the Senedd in

Wales, would have a key role to play in the new common rural policy, particularly in negotiating directly with the relevant EU agencies and participating in the new Committee of the Regions. The European Union in general, and the Commission in particular, has shown a far greater degree of awareness of the rural dimension than has the UK Government. The Regions are also the bodies best suited to determine the remuneration formulae under which our Countryside Management Contract system would operate, in consultation with relevant organisations and local authorities. They may also wish to create the same kind of Rural Policy Unit body as we propose at UK level.

6.0.9 We aim to further decentralise power to a stronger and more independent system of local authorities suitable to local needs. These would have responsibility for delivering most public services to rural communities, and would therefore need to be fully aware of the impact on rural areas of their actions. Rural Community Councils (see 5.4.1) have an important role to play in this respect, and we wish to encourage them.

6.0.10 We envisage the further decentralisation of power to a comprehensive network of neighbourhood, community, parish or town councils, operating at the most local level possible. Services for which they could take responsibility if the local community desired include maintenance of local facilities; direct input into planning and development policy; the provision and maintenance of local housing; input into community transport strategies, local traffic management schemes and the maintenance of footpaths; and village employment initiatives, which could include several councils agreeing to a small site development. Importantly, these lowest-tier authorities would also be an important route through which people would be able to define and articulate their requirements and plans.

6.0.11 Whatever system of delivery of public services is established for an area, these lowest tier councils should have direct input on a statutory rather an optional basis. At present,

this is unworkable for the smallest councils, due to their limited administrative capabilities. A new approach is needed, and we would encourage a diversity of mechanisms. A system of 'parish clusters' sharing an agent or manager working alongside the part-time parish clerks is one possibility. These 'clusters' would need to evolve naturally out of mutual interests and concerns to be successful; school catchment areas may often produce the necessary basis of shared interest. The size, responsibilities and methods of functioning of clusters must be left up to the parish councils themselves to determine, with the principal council providing encouragement and advice as required. The 'cluster' approach could also help to mitigate the problem of parochialism which sometimes affects small communities.

6.0.12 Our first rural policy paper, *A Thriving Countryside*, proposed the establishment of Rural Development Agencies to coordinate the development effort in partnership with the private, voluntary and public sectors. The concept of a dedicated rural agency has some attractions, but equally it has drawbacks - chiefly the construction of yet another layer of organisations involved in rural policy. There would inevitably be bureaucratic costs, and possibly a degree of confusion as to where responsibility lay. After wide consultation, we now believe that the creation of new agencies is unnecessary. It should prove entirely possible for existing bodies - particularly our reformed local government network (which must remain the key mechanism for accountable democratic direction) - to carry out the necessary functions.

6.0.13 Finally, the Rural Development Commission is already carrying out a valuable role in development areas, working in partnership with local authorities and providing vital support to Rural Community Councils. We condemn recent cuts in its funding; we wish to expand its remit and resources, enabling it to continue to carry out a facilitating function in achieving the objectives of an integrated rural policy, advising and assisting all levels of elected government.

This Paper has been approved for debate by the Federal Conference by the Federal Policy Committee under the terms of Article 5.4 of the Federal Constitution. Within the policy-making procedure of the Liberal Democrats, the Federal Party determines the policy of the Party in those areas which might reasonably be expected to fall within the remit of the federal institutions in the context of a federal United Kingdom. The Party in England, the Scottish Liberal Democrats and the Welsh Liberal Democrats determine the policy of the Party on all other issues, except that any or all of them may confer this power upon the Federal Party in any specified area or areas. If approved by Conference, this paper will form the policy of the Party in England and of the Welsh Liberal Democrats.

Many of the policy papers published by the Liberal Democrats imply modifications to existing government public expenditure priorities. We recognise that it may not be possible to achieve all these proposals in the lifetime of one Parliament. We intend to publish a costings programme, setting out our priorities across all policy areas, closer to the next general election.

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