

## Position statement briefing

# Archaeology and the Common Agricultural Policy

### Key points:

- The EU's Common Agricultural Policy (CAP) currently **funds the protection of rural heritage** to the tune of around **£90 million per year**.
- This is done through **agri-environment schemes** and **Greening payments** delivered with money from CAP. These schemes have already **protected more than 24,000 heritage assets**, and improved ongoing management of sensitive archaeological sites as well as contributing to the protection of iconic rural heritage such as dry-stone walls, and historic vernacular buildings.
- Leaving the EU means that CAP will cease to operate in the UK. It will be necessary to replace subsidies to farmers, but the shape and content of any new schemes (which may be designed and implemented at a devolved level) could bring changes to the status quo.
- Any **replacement scheme** must
  - **continue to include the historic environment** as part of an **integrated approach to land management**
  - explore opportunities to improve the system in respect of environmental protection, including tying a **greater proportion of subsidies to environmental initiatives**, and less to the 'basic payment scheme' – the area-based payments substantially devoid of additional requirements.

CIFA's position is therefore that the UK Government, together with the devolved administrations, must;

- **put in place interim arrangements to protect schemes which are currently receiving funding,**
- **deliver upon the positive vision for increased environmental benefit in a new farm subsidy scheme**
- **explore opportunities to make agri-environment schemes more effective, including by strengthening support for the historic environment**
- **strengthen an integrated (i.e. natural and cultural) approach to managing the environment.**

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# 1. Introduction

The Common Agricultural Policy (CAP) is a huge EU programme which administers a system of payments to farmers to subsidise food production and promote environmental sustainability. It has been in effect for over 40 years and is one of the most important and well-known EU programmes.

When the UK leaves the EU, it will withdraw from the programme.

Currently, CAP has an important impact on archaeology as it has, since 2000, provided a system which encourages and funds farmers and landowners to draw up management agreements which enable better and more sustainable environmental management on their land and provides a platform for consultation with and monitoring by government advisory bodies.

These 'agri-environment schemes' have been instrumental in improving protections for rural archaeological assets in the past 20 years and it is critical that the UK continues to support an integrated approach to rural land management which safeguards historic assets. The CAP currently funds more than £90 million per year<sup>1</sup> to historic environment protection in the UK annually, making it one of the biggest sources of funding for the historic environment.

## 2. How does the CAP work?

The CAP has been reformed many times over its 40-year lifetime. Current CAP payments are made to most farmers and other landowners (with exceptions for certain types of commercial land-uses). Whilst the scheme is applied with slight differences by each of the UK governments, the general structure is the same:

### Pillar 1: Basic Payment Scheme

- These direct payments are made to most farmers and are based on the area of the land they cover.
- These payments account currently for about 80% of CAP payments in the UK (£2.5bn out of £3.1bn).
- Only 1/3 of the basic payment is conditional upon cross-compliance with environmental standards relating to such things as wildlife, soil, water, and heritage asset management.

### Pillar 2: Rural development policy

- Pillar 2 payments are in place to meet a range of wider objectives for rural landscapes and communities including;
  - Improving competitiveness of UK farms
  - Improving the environment
  - Improving the quality of life in rural areas
  - Diversifying the rural economy
- Essentially, these payments promote the provision of public goods.
- **Agri-Environment schemes** are voluntary schemes whereby grants are awarded to farmers to commit to a management plan for a period of 5 years or more and can be used to support various activities including the protection of historic features.
  - Schemes are delivered under the Countryside Stewardship Scheme in England (formerly Environmental Stewardship scheme), Glastir programme in Wales, Agri-Environment Climate Scheme in Scotland, and Environmental Farming Scheme in Northern Ireland.

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<sup>1</sup> [www.theheritagealliance.org.uk/.../The-Common-Agricultural-Policy-and-the-Hist-Env-final-2.doc](http://www.theheritagealliance.org.uk/.../The-Common-Agricultural-Policy-and-the-Hist-Env-final-2.doc)

- As well as putting in place management plans, there is grant-aid available for capital works.
- Funding for a wider range of rural businesses and communities is available through the **LEADER programme**.

### 3. Why is CAP important to archaeology?

Agriculture has been considered by the sector to be the single biggest factor influencing the historic landscape and its survival in the archaeological record in a rural context. This influence can be problematic because agricultural interventions are not subject to assessment and mitigation in the same way as sites developed through the planning system are.

Because CAP includes the historic environment within its definition of environment, the rural historic environment has benefited from additional protections and large amounts of money available through the scheme.

The CAP is important for the following reasons:

- **Agri-environment schemes:** Research has shown that investment in the historic rural environment has had significant social and economic benefits. Since Environmental Stewardship was introduced 24,000 historic sites, in England alone, have been protected. Management plans ensure that assets are managed sustainably and potential damage (e.g. from ploughing) is reduced or reversed.
- **Capital works grant aid:** In addition to management, CAP offers grant aid to enable conservation works such as the restoration of traditional farm buildings, which would otherwise not be possible for the farmer or landowner to afford. These capital works are often tied to enabling benefits, for example, restoring traditional shepherds' huts to enable upland areas to be farmed more effectively, without compromising historic landscape character.
- **Cross-compliance:** In addition to agri-environment schemes, measures for monitoring cross-compliance, i.e. ensuring that farms receiving the basic payment are not damaging the environment, have also been shown to significantly boost levels of protection<sup>2</sup>. Both the presence of inspectors and a need to ensure that the effects of modern intensive farming methods on the environment are mitigated ensure benefit from this feature of Pillar 1 funding. It is noted that this provision could be improved.
- **An integrated approach to management:** However, arguably the most important factor of CAP for the historic environment is that it ties the management of the environment together under a single management regime, with an integrated approach to managing wildlife, landscape, historic assets, public access, practical land management and agricultural requirements.

The effects of this integrated approach to management has been the cultivation of a greater awareness of historic environment issues among rural land owners and users and a sense of goodwill towards the processes of conservation.

There are many ways in which this approach could be strengthened to lessen silos, improve understanding of historic assets, and improve relationships

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<sup>2</sup> <https://historicensland.org.uk/images-books/publications/historic-environment-agri-environment-schemes/>

## 4. Key issues in the light of Brexit

### ➤ *CAP will cease to function immediately or soon after Brexit:*

Unlike EU legislation, which will be covered by the Great Repeal Bill and will therefore have continuity of coverage guaranteed (subject to the details in the Bill), programmes like CAP will not be able to continue. It is therefore important to know how the government will continue to deliver the programme starting from day 1 after the UK formally exits the EU. The Government has promised<sup>3</sup> that existing payments will be honoured in an interim period, including both basic farm payments and agri-environment schemes. In July 2017, Secretary of State for the Environment Michael Gove made a speech outlining a vision for farm subsidies. There was much to like in this speech concerning aligning payments to environmental benefits, but there remain a lot of questions and a long road to a final model for the replacement of CAP.

### ➤ *The Historic Environment is a small part of the CAP remit, and could be vulnerable to slipping between the cracks:*

There is a concern that if Government looks to overhaul CAP, the natural environment lobby may undersell the importance of the historic environment's inclusion in any replacement policy. It is vital that both Government, and its advisors, the heritage agencies, are involved with the process of replacing CAP, and that any new systems retain and improve the approach to integrated management, cross compliance of agricultural, ecological, and historical protections, and continues to enable historic conservation as a joined-up part of environmental management.

There has been a significant campaign launched in the natural environment sector to produce material to help inform reforms, and ClfA, Historic England, and other organisations are engaged with efforts to ensure that the historic environment is included.

### ➤ *Risk of overall budget decline:*

Many commentators and analysts believe that no UK Government would commit to put as much money into CAP as the EU does. Historically the UK has been a major objector to the level of CAP subsidy<sup>4</sup>. Prior to the referendum, the consultancy Agra Europe, released a lengthy report which concluded that 'what is certain is that [after Brexit] no UK government would subsidise agriculture on the scale operated under the CAP'<sup>56</sup>.

As of July 2017, the Department for Environment Food and Rural Affairs has promised that there will be no overall decline in farm subsidies until at least 2021. Nonetheless, other conflicting leaked information has revealed that there is some pressure from within government for funding to be gradually decreased. The Government's February 2017 White Paper included commitments to maintain funding under Pillar 1, but did not mention Pillar 2. There is a danger that the potential to create environmental benefits from investment will be judged to be secondary to subsidizing food production and encouraging rural development, rather than being treated as being aims which are complementary.

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<sup>3</sup>[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/589191/The\\_United\\_Kingdoms\\_exit\\_from\\_a\\_and\\_partnership\\_with\\_the\\_EU\\_Web.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/589191/The_United_Kingdoms_exit_from_a_and_partnership_with_the_EU_Web.pdf) (p.12)

<sup>4</sup> <http://capreform.eu/is-a-level-playing-field-an-argument-for-continued-support-to-uk-agriculture-after-brexit/>

<sup>5</sup> <http://www.telegraph.co.uk/finance/economics/11967049/Brexit-is-a-life-or-death-matter-for-Britains-farmers.html>

<sup>6</sup> <https://store.agra-net.com/reports/eu15.html>

## 5. What could a reformed CAP look like?

The potential to reform CAP is one of the brightest opportunities presented by Brexit. It offers the chance to replace a policy which is designed to work across a huge and varied continent, with something more bespoke to UK agricultural and environmental needs. It also offers a potential to amend the core principles of the policy to emphasise environmental protection, improve effectiveness, and reduce bureaucracy. ClfA believes that a reformed CAP could;

### ➤ ***tie all grant subsidies to the delivery of public goods***

Across Europe there is already some discrepancy as to what proportion of the overall subsidy is devoted to 'greening initiatives', with the UK's contribution being relatively small. One option for a CAP replacement is to make all payments contingent upon the creation of public benefits, whether that is to improve flood prevention, protect wildlife, develop rural economies, or undertake conservation of historic assets.

The National Trust and other environmental charities have long proposed that a CAP replacement scheme could be a scheme which is tied 100% to the achievement of environmental benefit<sup>7</sup>, removing a basic payment altogether. Other changes to the policy that have been proposed include increased requirements for greater requirements for environmental cross-compliance, and increasing support to farmers who exceed the minimum requirements for environmental protection.

In his speech in July, Environment Secretary Michael Gove outlined his department's vision for farm subsidies which took a very similar position and which provides an extremely promising base on which to build.

### ➤ ***Ensure subsidies go to the right places***

At present, there is evidence to suggest that the biggest benefactors of the basic payment are the most productive farms. This means that farmers in places like north west Scotland have traditionally received less money than more productive farms in the east and south, despite having arguably greater need and greater scope for creating historic and natural environmental benefits.

### ➤ ***Better understanding of historic and natural environment benefits***

In the current scheme in England, the overlapping benefits of investment in historic and natural environment options are largely ignored. This has contributed to a failure to recognise the true value of integrated management. For example, investment in historic field boundaries such as walls and hedgerows are classified as historic benefits, but also provide habitat benefits. A new scheme could look again at how the public benefits of the scheme are classified and measured.

### ➤ ***More money to support the historic environment***

Under the existing CAP schemes around the UK, the historic environment has been generally accepted to be a subsidiary element of the agri-environment policy which is primarily focussed on natural environment issues. This is partially because EU policy has never regulated the historic environment and therefore there has always been a greater emphasis on natural environment, which is regulated by EU directive. This, in turn, meant fewer compliance issues to concern government and fewer benchmarks for performance measured at EU level. If the new policy is to be managed at the UK level, there is no longer any reason to treat issues with disproportionate levels of investment.

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<sup>7</sup> <https://ntpressoffice.wordpress.com/2016/08/04/national-trust-calls-for-major-reforms-of-farming-subsides-post-brexit-to-reverse-the-damage-to-the-natural-environment/>

It would, therefore, be reasonable for the overall percentage of funding allocated to historic environment to be increased in line with the potential for greater benefit, and with greater relevance to national objectives on the historic environment.

➤ **Minimise bureaucracy**

In England, at least, the current Countryside Stewardship programme is criticised for being extremely bureaucratic. This is partly a consequence of the system for fines to be imposed from the EU for failure to meet particular regulations. Being freed from these burdens means that a more effectively regulated scheme could be designed that benefits both applicants, increases the potential for benefit, and maximises investment.

## 6. ClfA's position on CAP reform

ClfA's current policy objective (priority level 1) in respect of rural historic environment protection is;

**“Maintain / improve management and protection of historic environment through implementation of the new Rural Development Programmes for England, Wales and Northern Ireland and the implementation of other aspects of Common Agricultural Policy”**

As part of this commitment, and in the light of Brexit, ClfA will;

- put pressure on government to uphold promises to provide interim provision for existing agri-environment schemes after Brexit,
- encourage government to live up to the vision outlined by Michael Gove in his July 2017 speech and develop a replacement for CAP which does more for environmental protection and improves existing provisions,
- champion the importance of agri-environment schemes to rural historic environment protections and seek to ensure that the historic environment is accorded a higher profile in rural land management,
- seek to ensure that in-house historic environment expertise is maintained by the responsible delivery bodies under any new scheme, and that links with historic environment sector experts are strengthened,
- work with partners in the natural environment sector to influence joined-up approaches to CAP replacement and ensure recognition of the impact of the programme on the historic environment.

***Do you have specialist knowledge of this policy area? Volunteer to be a consultant on ClfA policy in this area and help us shape our advocacy. Email [rob.lennox@archaeologists.net](mailto:rob.lennox@archaeologists.net) for details.***

For further information about ClfA's advocacy and campaigns and for details on other priority areas, visit [www.archaeologists.net/advocacy](http://www.archaeologists.net/advocacy) or email [info@archaeologists.net](mailto:info@archaeologists.net).