

A Fair Future for Rural England

*The Liberal Democrat Vision
for Rural England*

(published July 2007)



Applicability

With the devolution of powers to Scotland and Wales, many decisions made in Westminster now apply to England only. That means that policies in those nations are increasingly different from those in England – reflecting different choices, priorities and circumstances, and often the influence of Liberal Democrats in government. This document sets out our vision for what a Liberal Democrat government in Westminster could achieve for rural areas.

Some policy published by the Liberal Democrats may 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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Preface by Chris Huhne MP

Liberal Democrat Shadow DEFRA Secretary

The popular image of a rural idyll hides a darker reality of rural hardship. One in five rural residents in England live in poverty; but half of people living in these communities don't believe there is disadvantage in their area.ⁱ

The myth of the rural idyll was created by the Conservatives. Tories turned a blind eye to the hardships of rural life, and ignored the hidden poverty, crumbling transport and increasingly remote public services.

Yet it's a myth that Labour in government has been happy to propagate. Labour is an urban party with urban concerns. That's why so many of Labour's initiatives target only England's cities and towns, and why so many of Labour's failures have been most devastating to rural communities. Take just three examples:

- three in every four pounds spent on Labour's billion-pound anti-truancy drive for England can only be spent in cities and towns, leaving rural areas with truancy increasing at three times the rate of urban areas.ⁱⁱ
- Post office closures hit rural areas especially hard with 99% of older people in rural areas consider their local Post Office to be a 'lifeline'ⁱⁱⁱ - yet, since 2000 alone, 1,200 rural post offices have closed.^{iv}
- Rural areas have received as little as 5% of Government grants (under the *WarmFront* scheme) to upgrade their insulation and heating even though rural areas account for a fifth of the population.^v

The last year alone has seen this Labour Government deliver blow after blow to rural areas. Rural Post Offices have been undermined, affordable rural housing has been sidelined in favour of more urban regeneration and the Single Farm Payment scheme has been a fiasco, all reflecting Tony Blair's shameful legacy to rural England.

Rural people are offered a choice between a Labour party ignoring rural areas and the Tories with their appalling track record in government and a new leader whose priority is to capture the metropolitan vote. It's hardly surprising that many are pessimistic about the future.

The Liberal Democrats can deliver rural solutions to rural problems. In Scotland a Liberal Democrat Minister for the Environment and Rural Development has been doing so for the last 8 years. We passionately believe that all of rural England can thrive. It's a belief built on the experience of the councils we run and our MPs, MEPs and councillors who represent some of the most rural areas in the land. It's a belief built on a deep understanding of the countryside and the people who care for it.

Like all Liberal Democrat policy, this paper has a green thread of environmental action running through it. Above all, our paper provides a vision for a rural England in which no community is divided for want of affordable housing or adequate transport links; where farmers are guaranteed a fair price for food from supermarkets; and where everyone has access to good local schools, health care and visible policing.

Liberal Democrats can make this vision a reality. If it's a vision you share, your support can make the difference.

Executive Summary:

Ending Rural Disadvantage

Liberal Democrats are committed to ending the two-tier countryside – success for many, but with others left behind. Tackling rural disadvantage is a key priority. Our objective is to sustain rural communities in which the quality of life for everyone is improving and the increasing success of our villages and towns spreads to all in rural England. Our key proposals are:

1. More affordable rural housing

Provide more homes for local people by increasing councils' fiscal and planning powers over second homes and promoting schemes such as 'Equity Mortgage' affordable homes.

2. Axe Council Tax and cut pensioner poverty

Axe Council Tax and replace it with a Local Income Tax based on people's ability, saving the typical household around £450 per year and cutting the bills of eight out of ten pensioners.

3. Rural transport for all

Give drivers in sparsely populated areas a fair deal by granting them a 50% discount on road tax on all but the most polluting first car in the household and seeking EU permission to offer remote areas lower fuel taxes.

4. More rural police

Scrap Labour's wasteful, ineffective ID card scheme and spend the money on more police.

5. Save rural post offices

Support rural Post Offices through radical reforms which will raise £2 billion to modernise the network and stop the wave of closures.

6. Safeguard rural schools and healthcare

Provide fairer funding for rural school children by introducing Pupil Premium (a scheme focusing Government spending on individual pupil's needs, not on their surroundings), and ensuring that local healthcare reaches even the most isolated communities through rural outreach clinics and home visits by health professionals.

7. Connect rural England

Launch a review of broadband coverage and quality in remote areas, making connectivity a regulatory requirement.

8. Boost bioenergy

Boost bioenergy by introducing longer-term targets, a new assurance scheme to encourage sustainable production and transportation, and reforms of existing woodland tax breaks to boost biomass cropping.

9. Faster farm payments

Cut red tape by simplifying the application processes and raising the minimum threshold for farm payments to €100.

10. Clearer food labelling

Ensure that food labelling reflects the health, animal welfare and environmental standards of imported as well as domestically produced food while pressing for clearer 'country of origin' labelling.

First Class Rural Public Services for All

Rural communities pay for and deserve first class public services as much as urban communities do.

Yet far too often, remote policing, inadequate youth facilities and closing post offices, schools and hospital wards leave those living in rural areas feeling more like second class citizens.

Under the Tories, rural services crumbled. Bus services were deregulated and downgraded, social housing was sold, police stations closed and over 3,500 post offices, many in rural areas, were shut.^{vi}

Labour has allowed rural services to decline even more since coming to power in 1997 with, for example, the closure of 80 rural magistrates' courts in England and Wales^{vii} and the steady decline of the rural post office network now reaching crisis point with 2,500 more closures threatened.

Worse, much Government spending is earmarked only for urban areas. For example, three in every four pounds spent on Labour's billion-pound anti-truancy drive for England can only be spent in cities and towns, leaving rural areas with truancy increasing at three times the rate of urban areas.^{viii}

This makes a mockery of Labour's promise to "rural-proof" all its policies.

Because Liberal Democrats understand rural areas, we are confident that all our policies will be rural-proof from the start.

Yet we also believe that rural areas sometimes need uniquely rural policies.

That's why we reject Labour's 'one-size fits all' model which poorly reflects the diversity so evident in rural areas.

We Can Cut Crime

Liberal Democrats recognise that the isolation in many rural areas magnifies the impact of crime.

We understand that people in rural areas feel more unsafe and cut off as a result of the 'badge-drain' of officers into regional centres to police weekend binge drinking and big entertainment events.

We appreciate the importance of magistrates' courts and oppose any further closures. We support instead the transfer of back-office functions performed in busy urban courts to rural courts and the use of village halls and video-link ups in rural areas where magistrates' courts are not easily accessible.

We believe that the best way to tackle crime and the fear of crime is through police on the beat working within the community.

We know we can cut crime in rural areas.

That's why we opposed the merging of Police Forces into regional behemoths, forcing Labour to backtrack on their plans. We will continue to oppose any schemes that risk further local police station closures.

To further strengthen the relationship between our policing and rural communities, we will support retained police officers and initiatives such as the identification of named officers for each community.

To prevent officers being tied-up dealing with anti-social behaviour instead of more serious crimes, we will also make it easier for local communities and councillors to close pubs and clubs that create problems for local people by amending the Licensing Act.

Above all, we will scrap Labour's ineffective and wasteful ID card scheme and spend the money instead on more police.

Under the Conservatives and Labour, the police force shrank with a station closing every week since 1992, many in rural areas. Liberal Democrats will instead expand the police force.

Schools and Facilities for Young People

Conservatives and Labour seem obsessed with offering parents 'choice' in education without any conception of how hollow this sounds in rural areas.

In rural areas, school closures are more common than choice, with over 50 closures of primary schools alone in rural parts of England since Labour came to power.^{ix}

Liberal Democrats believe that what people really want is a good school locally.

We will introduce Pupil Premium, a scheme designed to focus Government spending on the needs of individual schoolchildren themselves, not just the overall circumstances of the area they live in. As rural areas are more prone to small pockets of deprivation, this would help make funding fairer for rural children who currently receive 8% less funding than urban children.^x

We will support especially remote rural schools through the promotion of shared teaching arrangements and IT and video-conferencing technologies.

We oppose the Government's moves to deny children the right to free school transport when they live more than two miles from their primary school or three miles from their secondary school.

We recognise that one of the biggest daily challenges for parents in rural areas is the lack of facilities for young children and teenagers.

That's why we oppose the raiding of one of the biggest funding sources for youth facilities – the National Lottery – to pay for government responsibilities like hospital scanners, nurses and fruit in schools. We will oppose any further raids on National Lottery funding to pay for the 2012 Olympic and Paralympic Games.

Good Local Health Care

Rural health care suffered from years of Conservative neglect and is now suffering the NHS cash crisis created by Labour's red tape.

Liberal Democrats will put patients first by freeing up frustrated health professionals from demoralising Government interference so that they can work on the front line.

We will decentralise our health service to make it more responsive and accountable to local people. Consultation with local people and clinicians must directly influence local health services and do so at an early stage of the process. This would give local people real ownership over their health service, while letting health experts make the difficult decisions on healthcare delivery. Individual hospitals and GP practices would have the freedom to innovate and find the best practise for their local communities. This would mean local people would be able to preserve many of the community hospitals which benefit them the most.

To ensure that local health provision reaches even the most isolated communities, Liberal Democrats will support the development of rural outreach clinics and home visits for GPs, district nurses, dentists, pharmacists, chiropodists, physiotherapists and other health professionals while also promoting the use of IT and video-link technologies.

As part of our plans to replace Council Tax with a Local Income Tax, we will allow public sector employers to pay the rate they need to attract people to work in their areas.

Rural Transport for All

Decades of underinvestment under the Conservative and Labour has left our transport system creaking towards a halt.

The Tory privatisation of bus services in 1985 hit rural areas particularly hard and has made residents in remote rural areas who don't own a car especially vulnerable.

Under Labour it's only got worse. Bus use in England outside London has actually declined by 13% while at the same time fares have increased by 15%.

With declining public transport has come big recent increases for car owners in fuel prices which are often already far higher in remote rural areas.

Liberal Democrats understand that transport in rural areas is often crucial in determining life chances.

For example, four in ten rural 15-16 years olds said transport played a part in their decision whether or not to enter post-16 education.^{xi}

It's a challenge that Liberal Democrats in Government in Scotland have taken up by introducing concessionary bus and rail fare scheme for 16 to 18 year olds which will particularly benefit sparsely populated areas.

To give rural people access to the opportunities they deserve, we will:

- **Seek EU permission to grant lower taxes on fuel** in sparsely populated areas as already happens in parts of France, Portugal and Greece.
- **Grant a 50% discount on road tax (VED) in sparsely populated rural areas** on all but the most polluting cars (to which there are many less polluting alternatives, including for heavy duty working vehicles such as 4x4s) for one car per household. This discount will not apply to second homes.
- **In the longer term, we will scrap fuel duty and vehicle excise duty** and replace it with road user charging based on when, where and what vehicle you drive. This will reward rural drivers whose journeys cause less congestion and pollution than most urban drivers. Government research says this will make four out of five car journeys cheaper.^{xii}
- **Create the framework for a rural speed hierarchy** and provide local authorities with the necessary powers to deliver safer country lanes, villages and streets.
- **Allow highways authorities, in consultation with local people, to set a default speed limit of 20 mph in built up areas and 30 mph in villages** to help cut the alarming and disproportionately high number of road fatalities in rural areas.^{xiii}
- **Devolve more power over local and regional transport to the nations, regions and accountable local authorities.**
- **Give town halls and Passenger Transport Authorities similar powers to Transport for London to license and regulate bus services**, specifying timetables and fares, so that routes can be prioritised with community needs in mind, not just profit.
- **Give communities more say over local and regional rail services** through greater Government consultation on timetabling and new services and the promotion of community rail partnerships, such as the Wensleydale Railway.
- **Support other community transport initiatives** such as dial-a-ride, taxi buses, post buses, school buses and “safe routes to school” to boost walking and cycling by schoolchildren.
- **Encourage improved rural transport integration**, such as ‘through-ticketing’, better coordinated rail and bus timetables, and secure and cheap parking for cars and bikes at rail and coach stations.

Liberal Democrats believe our transport system should be safe, reliable and affordable.

It’s a belief put into action by Liberal Democrats across the UK. Take, for example, the introduction by the Scottish Liberal Democrats in government of a concessionary fare system allowing all those over sixty and the disabled to travel free anywhere in Scotland. It’s proved such a success, particularly in rural areas, that Labour is now copying the scheme in England.

On rail, we’re also demonstrating local innovation, such as the popular tourist service, the Dartmoor Railway, supported by Liberal Democrat-run Devon County Council.

Saving your Post Office

Liberal Democrats have consistently campaigned against Post Office closures under the Conservatives and Labour.

We realise how important Post Offices are not just for their invaluable social, financial^{xiv} and communications services to local residents and businesses alike but also as a hub in the community.

In particular, Post Offices are particularly relied upon by the most disadvantaged in society. 99% of older people in rural areas consider their local Post Office to be a 'lifeline'.^{xv}

Yet under the Tories, over 3,500 post offices shut down, mostly in rural areas^{xvi}, and since Labour came to power, the relentless pace of closures has continued with 1,200 in rural areas alone axed since the millennium.^{xvii}

In addition to these closures, the Labour government is now phasing out the Post Office Card Account and has already directly or indirectly overseen the Post Office losing TV licences, vehicle excise duty and passport authentication work.

2,500 more Post Offices are now at risk of closure.

Liberal Democrats will support rural Post Offices through radical reforms which will raise £2 billion to modernise the network and stop the wave of closures. We will also remove some of the unnecessary restrictions that prevent rural post offices undertaking new and innovative business. At the same time, we will maintain Royal Mail's Universal Service Obligation and nationally uniform mail tariffs for the benefit of rural and remote areas.

Community and Culture

Liberal Democrats understand the importance of the arts and culture in regeneration and helping strengthen a sense of community.

In the South West, for example, (a region in which 47% of the population live in rural areas) there are already over 5,000 craftspeople and the figure is growing rapidly. Flagship projects like Tate St Ives have also shown the enormous economic impact the arts can have.

That's why Liberal Democrat councils have been at the forefront of supporting arts in rural areas from artists' open days in many counties to the use of sculpture in the streetscape of Fakenham by Liberal Democrat run North Norfolk District Council.

We will support the network of 3,000 village hall promoters who bring national and international performers to rural audiences, a third of whom would otherwise not see arts at all.^{xviii}

Village halls can play a key role in making rural life attractive to young people: in those areas far from town nightlife, village social events aimed at young people can fill a key gap.

We will empower local authorities to waive fees payable under the new alcohol and entertainment licensing laws for venues such as village halls, schools, and voluntary and community sports clubs, while cutting licensing red tape.

To encourage small sports clubs to thrive, we will promote the benefits of the Community Amateur Sports Club which could save thousands of sports clubs up to £2,000 per year.

We recognise the invaluable, and disproportionately large, role that volunteers play in rural communities and support local and regional volunteering campaigns such as East Midlands Rural Affairs Forum's "think rural" project.

We also support the development of community media projects. We will instruct Ofcom to investigate the allocation of some of the spectrum freed up by digital switchover to community media.

Communications should play a key role in an inclusive community. The national switch to digital television promises better access to public services but also risks isolating those who cannot upgrade or use the required new equipment. Liberal Democrats will ensure that no one is left behind in the digital revolution.

We will also revise BT's Provision of Service Guidelines to include pay phone provision for emergencies and tourism to assist rural areas. Ofcom will also be asked to investigate the provision of payphones in rural areas.

Tackling the Two-Tier Countryside

Affordable Housing

Providing affordable rural housing is a key plank of the Liberal Democrat vision for the countryside.

Affordable housing must cater for the diverse needs of rural communities from young people getting their feet on the first rung of the property ladder to tenant farmers in need of a retirement home.

Even more importantly, affordable housing helps maintain a community and safeguard rural policing, schools and health services by providing local homes for key workers.

We know that the best way to protect rural England is often not to oppose affordable housing but to restore or build it.

Yet successive Conservative and Labour governments haven't understood this and have failed to tackle the crisis in affordable homes.

Hundreds of thousands of affordable rural homes were sold off by the Conservatives and not replaced.

In many communities second homes have been a fillip to rural life. But in some areas they have created empty ghost towns.

Under Labour we've seen further neglect. Over 85,000 social rent homes in rural areas have been sold since 1997^{xix} despite the Government's own commission recommending an increase by 11,000 in the number of rural homes each year^{xx}.

With rural house prices almost doubling in the past five years, the average house now requires a mortgage of 10 times the average salary. This compares with a multiple of six for the country as a whole.^{xxi}

It's hardly surprising many young people are forced to abandon the communities where they grew up. When they do, relationships that are the foundation of a vibrant community go. They leave behind relatives who need caring for.

But more affordable, attractive and environmentally-friendly rural housing *can* be built to meet this growing demand.

To achieve this, Liberal Democrats will:

- **Ensure regional and local building targets reflect regional needs** and are not just dictated by the London-centred market.
- **Ensure national policies and inspectors back councils who want to set ambitious affordable housing planning obligations** for commercial developers.

- **Promote new forms of shared ownership**, such as Equity Mortgages, that allow buyers to build up their equity for future homes while ultimately maintaining the ‘shared’ home for other families in need of affordable homes.
- **Reduce VAT on building repairs** (paid for by an increase in VAT on new homes) to bring more of the 100,000 empty homes in rural areas back into use.^{xxii}
- **Require land rich Government departments to offer surplus land for the development of affordable housing**, starting with 100,000 new homes in the first year.
- **Promote mutual homes that offer the maximum flexibility for payments** ideal for young people seeking a starter home.
- **Tackle the excessive concentration of second homes** in some areas by giving councils powers to reduce even further the discount on second home council tax.
- **Allow local authorities to require planning permission before homeowners can convert housing into more holiday homes.**
- **Introduce higher energy efficiency standards for new homes** and improve the insulation in existing homes to reduce heating bills and cut household carbon emissions which account for more than a quarter of the UK’s total emissions.
- **Guarantee the future funding for rural housing** enablers who provide a vital role in the provision of social housing in many communities.

These aren’t empty Whitehall promises. They’re based on the experience of our rural councils and councillors, many of whom have fought hard for affordable housing to breathe life into their communities.^{xxiii}

Liberal Democrats understand the importance of affordable rural housing. That’s why we’d give councils the power and support for central Government that they need to solve rural problems with rural solutions.

Axe Council Tax

The unfair Council Tax system was dreamt up by the Conservatives but Labour has made it even worse, with bills rocketing.

Pensioners and people on incomes as low as £12,000 a year pay on average a thousand pounds or more in Council Tax.

Across the country, 1.5 million children in poverty live in households that pay full council tax.^{xxiv} Many of those are among the 700,000 children living in poverty in rural areas.^{xxv}

Liberal Democrats will axe Council Tax and replace it with a Local Income Tax based on people’s ability to pay.

The typical household will save around £450 per year and eight out of ten pensioners will have lower bills as a result.

Pensioner Poverty

The population of rural areas is ageing more quickly than that in urban areas and is already older. In many rural areas, more than one in four people are aged over 60.^{xxvi}

At the same time, rural pensioners get less Government support than their urban counterparts. Of those older people entitled to benefits such as pensioner credit, fewer are actually claiming their due in rural areas compared with urban areas.^{xxvii}

Liberal Democrats recognise that the mark of a civilised society is one that treats older people with respect and dignity.

That's why we'll introduce a Citizen's Pension to provide a decent level of income for all, removing a million pensioners from means-testing and giving 2.8 million women security in retirement.

We will also give free personal care for older people and people with disabilities for as long as they need it.

Scottish Liberal Democrats in government are already helping older people in this way.

Fuel Poverty

The older population of rural areas makes fuel poverty a particular problem. Per head of population, there is more fuel poverty in rural areas compared to suburban or urban areas.^{xxviii}

Yet rural areas have received as little as 5% of Government grants (under the *WarmFront* scheme) to upgrade their insulation and heating even though rural areas account for a fifth of the population.^{xxix}

Liberal Democrats will ensure that home energy improvement schemes don't discriminate against rural people by introducing a "WarmHome" scheme. This will give incentives to energy companies to install energy saving packages to all homes that want them. Homes that are not connected to the mains will be a priority for public support. These packages, which will be comprehensive not just tackling cavity wall heating and loft insulation, will be funded through a long-term loan secured on the property. It will usually be repaid through the energy bills. This will normally result in a net reduction in energy bills and will target improvement at the most needy.

We will also press the Competition Commission to investigate market barriers that may be artificially inflating the price of Liquid Petroleum Gas cylinders for the 2.8million (predominantly rural residents) who are not connected to mains gas.^{xxx}

Helping Rural England Thrive

Rural England has undergone a transformation in how it earns its living. Rural areas have seen strong growth in small businesses and tourism, and they now employ proportionately more people in manufacturing than the country as a whole. This diversification of employment must be continued if rural areas are to secure long-term prosperity.

Information and Communications Technology

The information and communications technology revolution is key to helping rural England thrive; by tackling the disadvantages created by distance, a whole world of business opportunity is opening up throughout rural England.

But remote rural areas are still not benefiting from the ICT revolution that is helping the rest of rural England. More than three in four villages in relatively populous rural areas have access to broadband. In remote areas, access drops to just one in three.

Tony Blair promised broadband for “every home in Britain that wants it by 2008”. In many rural communities this seems like an empty promise.

Liberal Democrats are determined to ensure rural England is better connected by:

- **Reviewing the minimum speed of broadband connection required to meet BT’s availability targets** which currently only guarantees a slow service (so slow, by way of comparison, that it would pass Iran’s ban on high-speed internet connections).
- **Insisting that communications regulator Ofcom requires broadband access for every village by 2010** as a regulatory requirement on BT.
- **Encouraging Ofcom to press ahead with proposals for the development of high speed wireless internet in rural areas.**^{xxx}

Scottish Liberal Democrats in government have already shown the effectiveness of backing broadband in rural areas. Their drive to bring broadband to some of the most remote parts of the UK saw affordable broadband coverage more than double in just two years.

Similarly in Cornwall, the Liberal Democrat controlled County Council has used European funds towards achieving broadband access for the whole county. The rest of remote rural England deserves no less.

Skills

Rural areas have high levels of seasonal unemployment, unskilled work and low pay. Thirty one out of the fifty English local authorities with the lowest wages are rural, with areas such as Cornwall and other parts of South West and East Anglia the worst affected.^{xxx}

The Labour Government’s focus on long-term unemployment under the New Deal Scheme does not help rural workers with seasonal jobs in areas such as agriculture and tourism.

We will ensure that casual and seasonal work in rural areas does not disqualify people from the chance to train and learn.

We will work with the relevant Sectors Skills Councils to further develop valued qualifications, reduce skills gaps and staff shortages and improve productivity.

Liberal Democrat run councils have led the way in supporting rural workers. For example, Kerrier District Council has been praised by the independent Audit Commission for its work with its 4,000 strong migrant population.^{xxxiii} The Council's migrant worker action group has improved working conditions and helped advance community relations.

Helping Rural Businesses

Small businesses lie at the heart of the rural economy and their importance continues to grow.

Liberal Democrats believe that better communications and better transport are key to growing businesses. In addition, we will cut red tape to help rural businesses thrive by:

- **Ensuring no new regulation is passed until there is a full, published independent assessment of its costs and necessity.**
- **Scrapping automatically new regulations that affect business unless Parliament specifically approves their renewal** after a period specified in a 'sunset clause'.
- **Replacing the endless visits by all sorts of inspectors with (in most cases) one all-purpose inspection.**
- **Reforming the business rates system to allow firms with a rateable value of less than £25,000 to claim a business rate allowance of up to £1,500.** This would represent a saving of over £600 a year for the majority of small businesses.

Boosting British Tourism

Liberal Democrats value the enormous role tourism plays in the rural economy. Not only is tourism the single largest industry in many rural areas, but it provides an invaluable source of additional income to those seeking to diversify their businesses, such as farmers.

We will support the tourism industry by:

- **Establishing an English Tourism Board** with similar responsibilities to those of Scotland and Wales, focusing particularly on marketing England domestically.
- **Encouraging Local Tourism Associations and the use of public-private partnerships based on coherent tourism 'destinations'.**
- **Encouraging local authorities to promote sustainable tourism strategies** and promote clean beach policies, demonstration farms and eco-tourism.
- **Opposing a compulsory levy on the hospitality sector to pay for local services** (a 'Bed Tax') in order to maintain the competitiveness of UK tourism.

Farming, Food & the Rural Environment

Farming

Farmers are the custodians of the landscape that has done so much to shape our culture and identity. This proud tradition means that farmers and growers undertaking management and maintenance of the landscape equivalent to over £400million for which they are not paid.^{xxxiv}

Liberal Democrats value farming not just for its produce but for its contribution to landscapes, the environment, animal welfare and sustainable rural development.

Moreover, farming can play an increasingly important part in tackling the greatest policy challenge of our time: global warming. Through sustainable farming, and through producing bioenergy, farming can help cut our carbon emissions.

Yet under the Conservatives and Labour, the government has often needed reminding that British farming matters.

The Tories in government allowed the CAP budget to spiral and introduced the policy that led to BSE. The Labour government has created one of the biggest bureaucratic nightmares in the history of agriculture with the implementation of Single Farm Payments. In the past 12 months, the number of farms going into the red has increased by 7% so that now almost one in four farms lose money each year.

In particular, BSE, Foot and Mouth Disease, the Rural Payments Agency Fiasco and unfair food markets have hit hill farmers disproportionately hard.

Liberal Democrats believe that there is a strong future for farming. That's why our leader, Menzies Campbell, was the first party leader to back the National Farmers' Union *Why Farming Matters* campaign.

We will:

- **Speed up the reduction in export subsidies and the replacement of production subsidies with payments for social goods**, such as contributions to landscapes, the environment, animal welfare and sustainable rural development.
- **Continue support for Less Favoured Areas schemes** to allow for traditional farming methods, such as hill farming, to thrive – while ensuring the funds reach as many farmers as possible.
- **Urge European member states that have not yet fully decoupled payments, such as France and Spain, to do so as a matter of urgency in order to provide British farmers with a more level playing field.**
- **End the discrepancy of CAP millionaires by clawing back CAP funds from the best-off farmers to address higher priorities elsewhere.**

- **Cut the red tape surrounding the administration of the single farm payment**, for instance, by imposing a minimum payment threshold of 100 euros.
- **Simplify the overly-complex application packs for agri-environment schemes** to allow more farmers to benefit financially from their green action.
- **Lobby at EU level for a more proportionate, risk-based approach to fallen stock processing.**
- **Take decisive action on bovine TB through an immediate and focused programme of badger control in hot spot areas**, while maintaining pre and post-movement testing of cattle.

Supermarkets

Neither Labour nor the Tories have stood up to the big supermarkets whose ever increasing power has contributed to high prices for consumers locally where a supermarket has a monopoly, and to many rural shops and farmers being squeezed out of business. For example:

- Between 1991 and 1997 a total of 4,000 food shops closed in rural areas.^{xxxv}
- From 1997-2002, 50 specialised stores such as butchers, fishmongers and newsagents closed every week across the UK^{xxxvi}.
- Since 1995, retail prices for milk have stayed static but farmgate prices have dropped by a third; at the same time, the number of dairy holdings has halved.^{xxxvii}

To tackle this, Liberal Democrats will:

- **Introduce a Small Shops Protection Bill** in Parliament requiring local authorities to develop sustainable retail plans to support small shops in their area.
- **Create a tougher, legally binding supermarket code** effective for the whole food chain from farm to fork to ensure all supermarkets do not exploit suppliers, farmers or consumers.
- **Establish a Food Trade Inspector** with powers to investigate proactively abuse of market power.

Food and Labelling

British farming has in recent years raised its environmental and animal welfare standards to among the highest in the world. These are now enforced by tough regulations. Yet this achievement risks being undermined by labelling too ineffective to allow those who want to buy local food to do so and too Eurocentric to inform consumers about the lower standards of some food produced outside the EU.

Liberal Democrats will:

- **Press the European Commission to monitor more effectively the importation of cheap imports whose health, animal welfare and environmental costs are not fully counted** (e.g. untraceable Brazilian beef).
- **Ensure that food labelling reflects the health, animal welfare and environmental standards of food imports** to enable consumers to make informed choices.
- **Press for changes to the EU regulations regarding ‘country of origin’ labelling so that in future food labelled ‘British’ means it is British**, while supporting counties and localities that wish to introduce more localised labelling schemes.
- **Set higher standards for public procurement of local food** to reduce the ‘food miles’ resulting from the high – and rising – amount of food imported by many Government departments.^{xxxviii}

As part of our proposals to tax pollution, not people, we will charge emissions tax on all flights – including air freight – in order that the hidden environmental costs of food imports – such as mange tout peas flown from Kenya – are reflected in the cost of food.

GM Crops and Organic

Liberal Democrats oppose commercial growing of GM crops until it is known that they are environmentally safe. We support the right of communities to create GM-free zones, such as Liberal Democrat-run Somerset County Council’s “Zero Tolerance to GM” campaign.

We believe the Government’s support for GM crops risk undermining the organic revolution.

If the Government does insist on pursuing GM, we believe the maximum threshold for GM presence allowed in organic produce should not be 0.9% as the Government proposed but instead 0.1%.

We also insist that the liability for any contamination above this threshold including all revenue streams lost, such as loss of organic certification, should fall on biotechnology companies.

The Government’s proposed ‘separation distances’ between GM and conventional crops in England may be inadequate to prevent contamination; we believe these should be reviewed.

Liberal Democrats support the use of organic and traditional farming methods above all for their contribution to biodiversity.

Biodiversity

Rural areas are the bedrock of the UK’s biodiversity – housing the ecosystems, habitats and species that sustain human existence and link us to nature.

Yet over 100 species have been lost in the UK in the past century and more biodiversity is at risk through the inaction of successive Governments. For example, the number of farmland birds has fallen by more than a third since the 1970s and the number of Sites of Special Scientific Interest (SSSIs) in a favourable condition for wildlife in England has declined significantly since 2000.^{xxxix}

At present over 500 rivers, lakes and wetlands in England are at risk of damage from excessive water withdrawals. At the same time, as a result of environmental pollution, over seven in ten of our rivers are failing to support a sustainable salmon population.^{xi}

Liberal Democrats recognise that farmers are custodians of three-quarters of our landscape^{xli}. There is no industry more important when it comes to protecting the rural environment, for instance, through maintaining hedgerows and field patterns, healthy top soils, and reducing pollution of watercourses.

Liberal Democrats will:

- **Introduce strong protections for valuable species and habitats** in every SSSI when implementing the EU Habitats and Birds Directive following the example of the Scottish Liberal Democrats in government.
- **Establish local water management forums** who will work with the Environment Agency to help restore natural riverbanks, floodplains, backwater channels, buffer strips, native woodlands, local wildlife sites and wetlands.
- **Put an increasing amount of farm support into agri-environment schemes** which make clear the role that farmers play in sustaining our countryside and improving soil and water quality.
- **Encourage further reductions in pesticide use** while being prepared to introduce a levy on synthetic pesticides should the industry's 'Voluntary Initiative' fail.
- **Use Government contingency funds to reverse the budget cuts** that resulted from the Government's maladministration of Single Farm Payments in England, hitting for example canal maintenance through cuts in the British Waterways budget.
- **Ensuring key research on climate change impacts is restored** after cuts in the Centres for Ecology and Hydrology, such as the biodiversity work at Wool in Dorset.

Bioenergy

Bioenergy must play an important role in cutting the UK's carbon emissions while at the same time encouraging energy security and increasing opportunities for farmers and rural communities.

The European Environment Agency believes that 15-16% of EU energy demand could be met through domestic bioenergy production without harming the environment. Yet in the UK, bioenergy represents less than 1.4% of the total UK energy supply.^{xlii}

Liberal Democrats want to kick-start the UK's bioenergy sector by:

- **Giving certainty to the industry by setting out a front-loaded path to the European Union's proposed target that biofuels represent 10% of all transport fuels by 2020.**

- **Stimulating the industry further by guaranteeing Government funding for grants such as the Biomass Capital Grant Scheme in England.**
- **Requiring the Carbon Trust to undertake an audit of the barriers to bioenergy take-up and of ways in which bioenergy businesses can co-operate more effectively together.**
- **Introducing as a matter of urgency a carbon and sustainability assurance scheme to end the scandal of imported biofuels whose transportation and production is more environmentally damaging than using the fossil fuels they seek to replace.** This would also help prevent the environmental damage to tropical forests and other highly prized ecosystems caused by the production of palm oil, sugar cane and soya for bioenergy in South East Asia and South America. We would urge the EU to develop similar Europe-wide assurance schemes.
- **Ensuring all bioenergy used by fuel suppliers under the initial phase of the Renewable Transport Fuels Obligation complies with these assurance schemes.**
- **Supporting community based initiatives to boost bioenergy technology development, production, distribution and use** along the lines of the Minnesota Project in the U.S.
- **Researching efficient use of local farm and food waste to produce biogas,** following the example of Liberal Democrat run South Somerset District Council.

Sustainable Woodlands

England's woodlands and forests are a rich natural resource which can promote biodiversity, provide biomass to help cut carbon emissions and produce hardwood for environmentally sustainable buildings. They also contribute to British tourism.

At present, they're a resource that is not being used effectively, with, for example, only one-sixth of the timber used in construction in the UK being produced domestically.^{xliii}

We have seen an end to the worst excesses of the forestry tax breaks introduced by the Tories - infamous as much for the celebrities that have benefited from them (such as Cliff Richard, Terry Wogan and Steve Davis) as for their harm to the environment.

Yet many woodlands and forests are still not managed in a sustainable way despite benefiting from inheritance tax relief.

Liberal Democrats would therefore require that inheritance tax relief only apply to sustainable forestry, as defined by the Government's sustainable timber procurement criteria.^{xliv}

We will review other incentives to promote sustainable and managed forests and woodland.

Fisheries and the Marine Environment

Liberal Democrats believe the sea is a common asset belonging to the whole of society.

Our coasts and seas provide food from fisheries, energy and mineral resources, routes and harbours for shipping, sites for renewable energy sources, tourism and recreational opportunities and places of cultural and historic interest, which meet many of our economic and social needs, particularly in remote rural areas. At the same time, they contain distinctive and valuable habitats and support an important and diverse range of species which we need to protect, conserve and enhance.

We will ensure a clean, healthy, safe, productive and biologically diverse marine environment.

To do so requires urgent action. For example, in the past fifty years, almost one-third of open sea fisheries have fallen into a state of collapse. Fifty years from now, based on current trends, there will be virtually no sea fish at all.^{xlv} Global over-fishing is not the only cause. Evidence from the North Sea suggests climate change is set to play an important role in declining stocks further. It's not just fish stock management that needs an overhaul but the whole marine legal framework: oil drilling, fishing and extraction of building materials from the seabed are controlled by no fewer than 36 Acts of Parliament, all conflicting.

The case for reform is clear. Yet Labour have dragged their feet, offering only a *draft* Marine Bill almost five years after they first wasted the opportunity to introduce changes. The Conservatives record is even worse. David Cameron has flip-flopped on the Common Fisheries Policy (CFP), having now abandoned the unachievable policy of CFP withdrawal promised in the 2005 manifesto.

Liberal Democrats will as a matter of urgency:

- **Introduce to Parliament at the earliest opportunity a Marine Bill introducing effective marine spatial planning for our territorial waters** and access to the coastline for all and providing for the devolution of appropriate powers to the devolved administrations.
- **Introduce Marine Nature Reserves and no-take zones for marine areas of national, as well as European, importance**, operating on a seasonal as well as geographic basis.
- **Press for powers over fishing stock management to be devolved to strengthened Regional Advisory Councils** to end the short-term and ineffective EU annual quota negotiations.
- **Reduce high levels of environmentally damaging and wasteful discarded fish** by supporting the adoption of by-catch reducing equipment and technologies.
- **Encourage sustainable fishing methods such as line catching.**
- **Press for tough regulations to reduce the by-catch of valued species such as dolphins - already in place in the UK - across the rest of Europe.**
- **Promote the use of a common labelling system** to guarantee consumer confidence in fish sustainability assurance schemes.
- **Ensure EU structural funds are made available for development plans for fishing communities**, including the encouragement of local processing.

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