

Consultation on the new rural policy functions within Government and the proposed abolition of the Commission for Rural Communities

November 2011

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<http://www.defra.gov.uk/consult/>

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If you wish for the consultation documents to be made available in a different format (e.g. a large font version or a Braille copy) we will endeavour to accommodate your request. Please either send a message to ruralpolicyconsultation@defra.gsi.gov.uk or leave a message at **020 7238 5241**

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Section 1: Summary

Topic of this consultation:	Consultation on the proposed abolition of the Commission for Rural Communities and the new rural policy function within Government.
Purpose of this consultation	The purpose of this consultation is to seek views on the newly consolidated rural policy functions within Defra and the proposed abolition of the Commission for Rural Communities.
Scope of this consultation:	The Government is minded to use the powers proposed in the Public Bodies Bill (PBB) to implement the proposals outlined in this consultation in relation to the proposed abolition of the CRC. The PBB requires that Ministers consult on their proposals before laying a draft order. The Government accepts this requirement which supersedes any previous announcements of a confirmed policy position in relation to abolishing the CRC. On that basis, the Minister invites comments on these proposals as measures that might be carried forward by an order under the Public Bodies Act (assuming Royal Assent), subject to the outcome of this consultation. All responses, including those which propose an alternative to the Government's preferred option, will be given due consideration.
Geographical scope:	The Commission for Rural Communities and the Rural Communities Policy Unit cover England only.
Impact Assessment:	An impact assessment accompanies this consultation
Duration of the Consultation:	Ninety days – 1 November 2011 to 30 January 2012
Body Responsible:	Department for Environment, Food and Rural Affairs.

1.1 How to contribute

Responses can be sent to the following email address: ruralpolicyconsultation@defra.gsi.gov.uk

Or by post to: **Rural Policy Consultation Team**
Defra,
Area 3B,
Nobel House,
17, Smith Square,
London,
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The closing date for this consultation is **30 January, 2012.**

Please contact us if you wish for these documents to be made available in a different format (large print etc.) and we will endeavour to accommodate your request.

1.2 Confidentiality

In line with Defra's policy of openness, at the end of the consultation period copies of the responses we receive may be published in a summary of the responses to this consultation. **If you do not consent to this, you must clearly request that your response be treated as confidential.**

Any confidentiality disclaimer generated by your IT system in email responses will not be treated as such a request. Respondents should also be aware that there may be circumstances in which Defra will be required to communicate information to third parties on request, in order to comply with its obligations under the Freedom of Information Act 2000.

1.3. Compliance with the Code of Practice on Consultation

This consultation complies with HM Government's Code of Practice on Consultation.

Section 2: Consultation on the new rural policy functions within Government and the proposed abolition of the Commission for Rural Communities

2.1 Background

- 2.1.1 In June 2010, the Secretary of State for the Environment, Food and Rural Affairs, Caroline Spelman, announced that Defra Ministers would lead rural policy from within the Department and proposed that the Commission for Rural Communities would, therefore, be abolished.
- 2.1.2 In line with this, Defra Ministers announced that they were establishing a new [Rural Communities Policy Unit \(RCPU\)](#) within Defra. The RCPU is intended to be a centre of rural expertise within Government. It will also work to strengthen Defra's relationships with rural organisations and commentators who advocate on behalf of rural people and businesses.
- 2.1.3 As of 1 April 2011, the first phase of this transition was completed. The new Defra Rural Communities Policy Unit is now fully staffed and operational. Meanwhile, the Commission for Rural Communities has implemented a streamlined operating model which means it is able to fulfil its statutory functions at a significantly reduced cost.
- 2.1.4 One of the RCPU's key objectives is to develop open and transparent ways of working, collaborating with organisations that represent and support rural residents, enterprises and communities. In line with the Government's broader ambitions to become more open and accountable, Defra officials will be taking a more proactive and public-facing approach than has previously been the case. For example, the RCPU will publish information about its plans and activities on the Defra web-site and RCPU officials will be creating opportunities to consult with a wide range of stakeholders – giving them an opportunity to influence the unit's rural policy priorities and projects.

2.2 The Public Bodies Bill

- 2.2.1 The Public Bodies Bill was introduced in the House of Lords on 28 October 2010. The Bill – if passed as an Act - grants extensive powers to Ministers - by means of an order - to abolish, merge, modify the constitutional or funding arrangements and modify or transfer the functions of a significant number and range of public bodies, as listed in the Schedules to the Bill. No order can be made without appropriate consultation and the approval of Parliament.
- 2.2.2 The main order-making powers in the Public Bodies Bill only apply to bodies listed in relevant schedules. The Commission for Rural Communities is listed in Schedule 1,

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meaning that it is subject to the power in Clause 1 - the power to abolish a body and transfer its functions by order.

- 2.2.3 The Government believes that abolishing the CRC and consolidating rural policy expertise within Government will remove duplication, improve efficiency and enable resources to be more effectively focused on securing practical outcomes in priority policy areas. The Government also believes it is right to draw together rural evidence from a wide and rich range of sources rather than rely on one body to provide this.
- 2.2.4 This should not be interpreted, however, as an unwillingness to consider alternatives, as should be clear from the scope of this consultation document.
- 2.2.5 The Government remains open to the option of retaining the CRC in its current streamlined form to continue to deliver its statutory functions as set out in the Natural Environment and Rural Communities Act 2006. This would maintain the current situation whereby the CRC works independently and alongside Defra's RCPU in a critical friend capacity. The streamlined CRC would continue to carry out its statutory functions of Advice, Advocacy and Watchdog, with particular focus on disadvantage and economic underperformance. The Commission would continue to have a modest work programme, funded by Defra.
- 2.2.6 Although the Government's preferred option is to abolish the Commission for Rural Communities, Ministers wish to consider respondents views before reaching a final decision.

2.3 The Rural Communities Policy Unit – a shift from independent advice to open, more accountable Government

- 2.3.1 The Government has made clear its intent to create more accountable Government decision making. The strengthened capacity of Defra's Rural Communities Policy Unit is a practical expression of that intent. Defra Ministers are committed to championing the needs of rural communities and wish to represent them by leading rural policy from inside Defra.
- 2.3.2 Defra Ministers, and their colleagues across Government, are committed to ensuring policies and programmes properly take account of the needs and the potential of rural residents, businesses and communities. The RCPU will operate as a centre of rural expertise, supporting and co-ordinating rural policy within and beyond Defra. The RCPU will play an important role in helping all Government Departments to ensure that their policies are effectively 'rural proofed' before decisions are made.

2.4 Holding Government to account for its record on rural proofing

- 2.4.1 [The Environment, Food and Rural Affairs \(EFRA\) select committee](#) has indicated that it will wish to scrutinise the work of the Rural Communities Policy Unit. The Government welcomes this; it is further evidence of the importance Parliamentarians rightly place on ensuring that the interests of those living and working in rural areas are being appropriately addressed by Government policies and programmes.
- 2.4.2 Defra Ministers are exploring further means by which the Government's support for rural communities can be made as transparent as possible. These include the proposed Government-wide Rural Statement (see 2.5.2 below) and the scope to encourage independent scrutiny of Government's approach to rural proofing.

2.5 The immediate objectives of the Rural Communities Policy Unit

2.5.1 Building upon the Department's existing rural policy team, the RCPU has drawn in staff from the Commission for Rural Communities (CRC) and from other parts of Government to create the new unit. The RCPU's immediate objectives are:

- **Objective 1:** To identify issues of critical importance to rural communities and then support, inform and influence the development and implementation of relevant Government policy so as to achieve fair, practical and affordable outcomes for rural residents, businesses and communities.
- **Objective 2:** To develop open and collaborative approaches to gathering information, evidence and potential solutions working closely with the wide range of organisations which support and represent rural communities.

2.5.2 One of the first tasks of the new RCPU has been to work across Government, and in consultation with wider rural stakeholders, to identify priority policy areas for rural communities. As it develops its own plans and priorities, the RCPU is pursuing three main initiatives:

- The development of measures to be set out in [Rural Economy Growth Review](#), which will be announced alongside the Chancellor's Autumn Statement.
- **A proposed Government-wide Rural Statement** which would set out the Government's overarching commitment to rural communities, outline how Government policies and programmes are already working for these communities, and explain what Defra and the RCPU will be doing to promote rural needs and interests in the future; and
- **A new package of rural proofing materials**, including a clearer definition of [rural proofing](#), a robust restatement of the Government's commitment to it, advice and

guidance to policy-makers on how it should be done, and detailed examples of rural proofing in action.

2.5.3 These new measures are designed to build appropriate expertise within Government to ensure fair and affordable outcomes are achieved on behalf of rural communities.

Question 1: Is there anything more, or different, the RCPU should be doing to ensure fair, practical and affordable outcomes can be achieved on behalf of rural residents, businesses and communities?

2.5.4 The RCPU will maintain and build upon the strong evidence base developed by both Defra and the CRC. This evidence will inform both the unit's priorities and its policy-influencing function and will also be made available to the public via the Defra website.

2.5.5 Much of the activity which helps rural communities to thrive takes place at a local level and removed from central Government, often undertaken directly by people within the communities themselves. It is the Government's intention that the RCPU's evidence will, in part, promote the Government's drive to decentralisation by supporting bodies operating sub-nationally to better understand and take proper account of rural needs and opportunities.

2.5.6 The RCPU will publish an Evidence plan and Official Statistics about Rural England which are governed by the process and procedures set out in the Statistics and Registration Services Act. Defra's RCPU Evidence Plan will set out activity to commission independent research that will underpin its role as a centre of rural expertise within Government. Its research will be structured to support, inform and influence the development and implementation of relevant Government policy to achieve fair, practical and affordable outcomes for rural residents, businesses and communities.

2.5.7 In addition, the RCPU is developing new ways of creating two-way communication with rural stakeholders to ensure that Defra and wider Government departments have access to rich and varied intelligence, influence and evidence from those who live and work in rural areas.

2.5.8 In April 2011, for example, Defra renewed its grant in aid investment in the [Rural Community Action Network](#) (RCAN) and [Action with Communities in Rural England](#) (ACRE). The investment programme is based on RCAN's focus on:

- Their support for developing the rural Big Society and long term sustainability of rural communities across England,
- Their positioning at the interface between communities and local Government

- Their ability to access grass roots intelligence against the national and sub-national policy context.

2.5.9 The primary purpose of Defra's investment programme is to promote and develop community led initiatives that help secure a step change in local action and self-reliance across rural England. The Rural Communities Policy Unit has sought to utilise the ACRE/RCAN partnership to provide evidence in relation to Defra's priority themes of housing and planning, transport and services, fuel poverty and energy and broadband rollout (with the evidence gathered offering policy insight on frontline efforts to deliver a sustainable rural Big Society).

2.6 A new Rural and Farming Network

2.6.1 In April, Defra Ministers invited individuals and organisations from the farming, food and rural affairs sectors to join a new Rural and Farming Network (RFN). The networks membership will primarily operate at the sub-national level:

- to provide a basis for effective two way communication between Defra Minister and broad rural interests throughout the country
- to discuss issues of common interest and learn from each others' experience.

2.6.2 The RFN, which is expected to be in place by November 2011, will encourage participation from the farming and food sectors and from those representing broader community, environmental and business interests within their localities. It is envisaged that bringing together a wide range of rural interests within one network will ensure that no one sector or voice is dominant. A key feature will be that, when necessary, representatives of the groups will be able to speak direct to Ministers. Correspondingly, Ministers will be able to obtain direct advice from the groups about how delivery on the ground is working. RFN members will have named Defra officials acting as points of contact and providing strategic secretariat support.

Question 2: Are there any further steps the RCPU should take to ensure it has up-to-date information, evidence and intelligence?

Section 3.0: The Proposal to abolish the Commission for Rural Communities

3.1 The case for abolition

3.1.1 The Commission for Rural Communities was established in April 2005 and became an independent body on 1 October 2006, following the enactment of the Natural England and Rural Communities Act, 2006. The CRC was funded by Government to help ensure that policies, programmes and decisions take proper account of the circumstances of rural

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communities. It has a particular focus on disadvantaged people and areas suffering from economic under-performance. The CRC has three key functions:

- **Advocacy:** acting as a voice for rural people, businesses and communities;
- **Expert adviser:** giving evidence-based, objective advice to Government and others; and
- **Independent watchdog:** monitoring and reporting on the delivery of policies nationally, regionally and locally.

3.1.2 **Duplication and confusion:** Defra and the CRC have enjoyed a good working relationship for a number of years. In its current operational form, the CRC has sought to align working activities closely with Defra, as demonstrated in their [2011-12 business plan](#). There is a concern, however, that having two national rural policy functions creates duplication and potential for confusion. The RCPU has made a clear shift toward working with a range of rural stakeholders, rather than focusing on a single source of rural advocacy, advice and expertise.

3.1.3 The RCPU is also working closely with organisations who provide detailed strategic policy advice and influence at no cost to the public purse. For example, the RCPU meets regularly with the [Rural Coalition](#), and is facilitating meetings between this group and officials from the appropriate Government Department on key policy agendas, for example, Housing, Planning and Economic Growth. Similarly, the RCPU is engaging with a wide range of businesses and other stakeholders in taking forward the Rural Economy Growth Review. The Rural Business Finance Forum and [Local Enterprise Partnerships \(LEPs\)](#) (amongst others) have contributed their views and evidence in the development of these prominent Government policy areas.

3.1.4 The Government have made clear that deficit reduction must remain at the heart of what we are doing. So when new ways of working are found that both reduce cost and maintain Government's commitment to ensure fair and affordable outcomes are delivered on behalf of rural communities – there is a clear public interest for Government intervention.

3.1.5 The views gathered through this engagement are being used to inform the measures being considered by Defra and other Government departments in formulating key policy areas.

3.2 The CRC's current operating model

3.2.1 The CRC continues to operate and, as of 1 April 2011, the CRC's Chairman, Dr Stuart Burgess, and Commissioners are acting collectively and individually to fulfil their statutory functions rather than operating as an oversight board for a much larger organisation. They are supported by a small team (3.5 FTE), with back office functions such as HR, Finance and IT being provided by Defra.

3.2.2 Following the streamlining of the Commission, it continues to act as critical friend to Defra, with a work programme complementary to that of the RCPU. Further details of the Commission's current activities are available at: www.defra.gov.uk/crc.

3.2.3 To help fulfil its advisory role, the CRC decided at its March 2011 meeting to establish six policy-orientated Reference Groups, each composed of Commissioners with expertise in the areas of policy in question. The roles of the reference groups will be to:

- Provide advice to Government
- Be spokespersons for relevant rural issues
- Take forward small ad hoc projects with specific deliverables, as resources allow.

The reference groups will cover the following subjects:

- Housing and sustainable planning
- The future for the Uplands
- Rural economies and LEPs
- Access to services
- Big Society
- Young people

3.3 Financing and Resourcing of the CRC

3.3.1 It is estimated that consolidating resources within an expanded Rural Communities Policy Unit within Government and working with the CRC to design and implement its streamlined operating model will generate net savings. The first phase of the transition was completed by 31 March 2011 as planned. Defra has already reduced annual spending on its rural policy function by approximately 60% from the 2010/11 baseline. It is estimated that implementing the Government's new approach to the rural policy function will, in total, generate net savings of approximately £17m over the CSR period (2010-15).

3.3.2 However, the CRC, in its current operational form has ongoing funding and resource allocations from Defra. The annual total resource cost of maintaining the CRC as an arm's length body is therefore estimated at £600,000 pa. These costs are **estimated** and presented in Table 1 below.

TABLE 1: The estimated costs of the Commission for Rural Communities (p.a.)

Delivery Costs	£450,000
Defra back office functions (Finance, HR, Legal advice etc)	£100,000
Server hosting	£5,000
Defra Sponsorship Function	£20,000
Analysis Support (ad hoc)	£3,000
Annual Report and Accounts, Audit and Payroll	£17,000
TOTAL	£600, 000 pa ¹

3.3.3 The cost of the Defra sponsorship function reflects the Defra staff time associated with providing an appropriate degree of support and oversight to the CRC as an arm’s length body. This will include ensuring that the CRC’s work programme aligns with wider Government policy objectives and there is effective and efficient use of public money. There is also a need for careful communication to ensure Government departments and external stakeholders are aware of the distinctions and complementarities between the work of the RCPU and the CRC.

3.3.4 Although the Government’s preferred option is to abolish the Commission for Rural Communities, Ministers wish to consider all respondents’ views before reaching a final decision.

Question 3: Do you agree that the Commission for Rural Communities should be abolished?

Question 4: Do the proposals have any direct impact on you (if so, please explain the impact, including any supporting evidence)?

¹ Please note, this figure is rounded up to the nearest one-hundred thousand

Section 4: About you.

Please complete the section to tell us more about you.

Full name	
Job title or capacity in which you are responding (e.g. member of the public etc.)	
Date	
Company name/organisation (if applicable):	
Address	
Postcode	
If you would like us to acknowledge receipt of your response, please tick this box	<input type="checkbox"/> (please tick box)
Address to which the acknowledgement should be sent, if different from above	

If you are a representative of a group, please tell us the name of the group and give a summary of the people or organisations that you represent.

Please email your completed form to: ruralpolicyconsultation@defra.gsi.gov.uk

Section 5: The Consultation Questions

Question 1: Is there anything more, or different, the RCPU should be doing to ensure fair, practical and affordable outcomes can be achieved on behalf of rural residents, businesses and communities?

Comments:

Question 2: Are there any further steps the RCPU should take to ensure it has up-to-date information, evidence and intelligence?

Comments:

Question 3: Do you agree that the Commission for Rural Communities should be abolished?

Comments:

Question 4: Do the proposals have any direct impact on you (if so, please explain the impact, including any supporting evidence)?

Comments: