REPORT ON DELIVERY

Natural England

Agri-environment schemes

1. The target for scheme uptake is for 70% of eligible land in England to be under agri-environment agreement by March 2011.

2. Uptake of ELS has slowed to around 1,000 agreements per quarter (compared to the peak of around 7,000 in the third quarter of 2005). There are currently 34,036 ELS agreements and 2,765 HLS agreements, with a combined coverage of 5.1 million ha. With current ESA and CSS agreements, this gives an agri-environment land cover of about 63% of available farmland in England. If the rate of ELS applications continues at the present level, a high rate of renewals in 2010 (when the first agreements start to expire) and a high transfer rate from expiring ESA/CSS agreements will be particularly crucial to maintaining the current coverage. (Over 60% of existing ELS agreements are due to expire before March 2011 and a key priority for NE will be to ensure that these are entered into new agreements.)

3. First year value of ELS agreements is now £166 million with £51 million for HLS.

4. The ES Review of Progress recommended that there should be an enhanced level of advice for ELS applications to help secure better value for money with option uptake and management. Natural England is taking this forward as a separate project and have appointed a project manager to oversee implementation. It is proposed that this is funded from a small transfer from the Axis 2 allocation. Provision of an enhanced level of advice will be of particular importance in helping secure a high rate of ELS renewals in 2010/11.

5. NE are working on proposals for a new option – the Enhanced Farm Environment Record (EnFER) – which is designed to encourage continuation of the planning elements of the old management plans but at the same time encourage better choice of options, to reflect risks/opportunities identified on the holding.

6. 16,000 or so ELS agreements currently have management plans which will need to be removed on renewal (this could be up to 9 points/ha out of the required 30 points/ha), so the EnFER could play an important role in encouraging a high renewal rate. NE will be presenting their proposals – covering biodiversity, diffuse water pollution, the historic environment and climate change – in mid-November.

7. The further changes to ES are planned to be notified to Commission in March and June 2009, to come into effect in early 2010.

8. NE will be launched its new scheme targeting arrangements on 21 November.

The Hill Farm Allowance 2008

9. There were 6994 eligible claims for the Hill Farm Allowance (HFA) 2008. The total spend on the scheme was £23,760,000, over 972,000ha of the Seriously Disadvantaged Areas (SDA). 94% of HFA 2008 payments were authorised by the end of March.

10. The table below shows the distribution of the HFA 2008 broken down by type of land.

	SD Land	Moorland	LFA Common
Paid Amount at Full Rate (ha)	464,934.85	199,822.31	147,826.80
Paid Amount at Half Rate (ha)	7,464.44	93,448.57	47,170.66

Energy Crops Scheme

11. The establishment of biomass under the Energy Crops Scheme is well below the targets set out in the Programme. A scoping paper on improving uptake has been circulated to the board for information. Following the creation of DECC, further consideration is needed of how to ensure that the new Department is appropriately involved in the programme governance (both for ECS and other renewable energy/climate change mitigation issues).

Forestry Commission

12. Due to the delayed RDPE approval and the November 2007 budget reprofiling there has been significant uncertainty in minds of both applicants and frontline staff which risks having a material impact on the whole programme. The inability of FC England in recent months to confirm its 2009/10 Prospectus budget has further complicated this communications issue around managing applications for capital in-year work on schemes.

13. The 2009/10 commitments have reached around 95% of the 'interim' budget. The Woodland Creation round resulted in 2000ha of applications against a 7-year average RDPE target of 2200ha. Given uncertainties in the sector and high commodity prices this is regarded as a successful level of interest. This includes two large, high quality native woodland schemes of 100ha in West Midlands and over 200ha from a Ministry of Defence tenant in Northumberland National Park.

RDA delivery under Axes 1, 3 and 4

14. Commitments to new programmes of investment and individual projects under Axis 1, 3 and the Leader Axis of the Rural Development Programme for England (RDPE) were only able to start from January 2008 following EU approval of the new programme. Regional Development Agencies (RDAs) have also been making payments to projects that are the legacy of the previous England Rural Development Programme (ERDP), since 1 October 2006. (Funding for legacy payments comes from the European Agricultural Fund for Rural Development.)

15. Under various themes, the following provides a summary of the types of programmes and projects that have been approved by the RDAs under the RDPE.

Axis 1

Skills and knowledge transfer

Most RDAs have skills programmes in place for the land based sectors or are currently developing programmes. LANTRA, the sector skills council for the land based sector are involved in the delivery of some of these programmes.

Livestock

Five RDAs have agreed or are putting in place livestock programmes. This includes a specific bluetongue awareness campaign in Cornwall. Other investments in the livestock sector include outdoor pork and lamb provenance projects. Investments in abattoirs and meat cutting/butchery area and value added supply chain initiatives are also being assessed. A large £800k+ animal health and welfare training project has also been approved.

Renewable energy

Bio-energy and woodfuel projects have been approved or are awaiting approval. A biomass heating system for a large glasshouse business has also been approved. To help provide a coordinated regional renewable energy programme, RDPE funds have been invested in a Centre of Renewable Energy. Two small wind turbine projects have also been approved.

Forestry

Along with the woodfuel projects mentioned above, investments have been approved for a timber processing centre, a sustainable woodlands programme and a small forestry contracting business.

Nutrient management

An action plan for Environmental technologies has been approved along with a Farm Resource Efficiency Programme.

Adding value

An action plan for food and drink has been approved as well as an egg processing and packaging unit; a fruit packing and storage project; a horticulture packing plant; and a collaborative potato marketing project. A number of smaller scale processing and marketing projects have also been approved.

Axis 3

Farm diversification

A range of small scale farm diversification projects have been approved either directly by RDAs or via intermediaries, eg Business Links. Examples include farm shops, a tea room, a livery enterprise and a dog agility facility.

Rural economy

A rural business start up scheme and a rural retail programme have been approved along with some small scale rural business development.

Community projects

These are in the main expected to be funded through Local Action Groups under the Leader approach and investment will begin once LAGs are up and running. However, an art gallery and a folk museum have been assisted as has a village shop.

16. The following table sets out:

- Numbers of investment programmes and projects approved by RDAs since the Programme was opened for applications under the socio-economic measures (RDAs' strategic investment approach means that their larger investment programmes will result in further funding of individual projects ;
- Number of projects which have received, or been approved, for funding (includes ERDP legacy payments made after 1 January 2007).

RDA	RDPE programmes	Axis	Number of projects	Value of funding

	and projects approved (excluding Leader)		to which funding has been allocated (including legacy)	awarded (£m) (incl legacy)
NWDA	2	1	58	8.4
		3	43	0.9
ONE	8	1	28	4.5
		3	58	6.5
YF	55	1	43	8.2
		3	88	7.1
EMDA	12	1	53	5.0
		3	60	2.3
AWM	5	1	52	5.4
		3	117	9.0
EEDA	7	1	44	12.3
		3	33	0.05
SEEDA	14	1	63	8.4
		3	46	2.4
SWRDA	26	1	43	6.6
		3	31	1.9
Total	129		860	88.95

17. All regions have now concluded the first round of selection of Local Action Groups, and the East Midlands has initiated a second round which will conclude early next year. 61 Local Action Groups have been selected across the country, and are now engaged in activities such as:
    - finalising Local Development Strategies
    - translating LDSs into action plans
    - recruiting staff
    - building capacity in the Leader areas and in the LAGs

18. The Isle of Wight LAG has already approved 5 projects for funding under both axes 1 and 3, but generally groups take time to get up and running and we do not expect significant delivery under Leader before April 2009

19. The following 61 Local Action groups have been selected to deliver RDPE using the Leader approach:

Local Action Group	**Budget (indicative)**	**Population**	**Area (km^2)**
North West			
Cumbria Fells and Dales	£8m	132,059	3,800
Solway Borders and Eden	£8m	157,988	2,719
North Lancashire	£2.7m	98,423	922
West Lancashire	£2.7m	123,149	629
Pennine Lancashire	£2.7m	104,588	980

Mersey Rural	£2.2m	149,789	358
Regional totals	*£26.30*	*765,996*	*9,408*
North East			
Northumberland Uplands	£1.88m	32,600	3,042
Northumberland Coast & Lowlands	£1.88m	58,374	138
East Durham	£1.88m	138,000	183
North Pennine Dales	£1.88m	50,746	2,000
Regional totals	*£7.52m*	*279,720*	*5,363*
Yorkshire and the Humber			
Northern Lincolnshire Rural	£2.4m	119,022	1,079
North York Moors, Coasts and Hills*	£3.2m	138,000	2,293
South Pennines*	£2.8m	163,374	1,098
Yorkshire Dales	£2.9m	62,531	2,973
East Peak Innovation Partnership	£2.9m	110,000	450
Coast, Wolds, Wetlands & Waterways	£2.8m	151,985	1,416
Regional totals	*£17m*	*744,912*	*9,309*
East Midlands			
Bolsover and North East Derbyshire	£2.4m	147,000	430
Coastal Action Zone Partnership	£2m	65,000	720
Lindsey Action Zone	£2m	80,000	1,615
Peak District Rural Action Zone*	£1.9m	124,000	1,835
Regional totals	*£8.3m*	*416,000*	*4,600*
West Midlands			
Central Warwickshire	Tbc	91,548	To be advised
Herefordshire	Tbc	122,500	tba
North Warwickshire	Tbc	62,300	tba
Northern Marches*	£1.85m	134,968	1419
Shropshire Hills	Tbc	54400	tba
Staffordshire	Tbc	63,632	tba
Worcestershire	Tbc	128,755	tba
Regional totals		*658,103*	
East of England			
Greensand Ridge	£3.0m	Tba	404
The Eastern Plateau	£3.0m	Tba	1241
Brecks	£3.3m	Tba	1680
Waveney Valley	£3.3m	Tba	1432
Norfolk Coast and Broads	£3.8m	Tba	1482
Fens Adventurers Partnership	£4.0m	tba	1581
Regional totals	*£20.4m*	*796,398*	*7820*
South East			
Aylesbury Vale and Milton Keynes	£2.4m	146,985	1,085
Chilterns*	£1.8m	150,366	863
Loddon and Eversley	£1.8m	98,680	396
Isle of Wight	£2.7m	143,700	395
Kent Downs and Marshes	£2.25m	149,331	1,469
New Forest	£2.2m	130,921	904

North Wessex Downs*	£2m	93,700	1,731
South Oxfordshire	£1.9m	100,172	778
Surrey Hills	£2m	143,684	838
Sussex Downs and Low Weald	£2.25	144,350	1,596
Three Harbours and a Coastal Plain	£1.7m	111,016	332
Wealden and Rother Rural Partnership	£2.4m	136,800	1,315
West Kent	£1.8m	134,000	870
Fieldfare Winchester and East Hampshire	£2.0m	127,351	1,099
Regional totals	*£29.2m*	*1,811,056*	*13,671*
South West			
Isles of Scilly	£2.25m	Tba	Tba
Clay Country	£1.8m	Tba	Tba
West Cornwall	£1.8m	Tba	Tba
East Cornwall	£1.8m	Tba	Tba
South Devon Coastal	£1.8m	Tba	Tba
Greater Dartmoor	£1.8m	tba	tba
Forest of Dean	£2.6m	Tba	Tba
Plain Action	£2.5m	Tba	Tba
Western Somerset	£2.25m	Tba	Tba
Make it Local (Blackdown Hills and East Devon)	£2.4m	Tba	Tba
Leader 4 Torridge and North Devon	£3.8m	Tba	Tba
Somerset Levels and Moors	£1.8m	tba	tba
Sowing SEEDS (North Dorset and South Wiltshire)	£2.85m	Tba	Tba
Chalk and Cheese (South and West Dorset)	£3.1m	Tba	Tba
Regional totals	*£33m*	*1,400,000*	*14,000*
ENGLAND TOTAL	**£142m (+WM)**	**6,872,185**	**64,171 (+WM)**

North York Moors Coasts and Hills – joint YH and NE
Peak – joint EM and WM
Northern Marches – joint WM and NW
Chilterns – joint SE and EE
North Wessex Downs – joint SE and SW
South Pennines – joint YH-NW