

RURAL DEVELOPMENT PROGRAMME FOR ENGLAND PROGRAMME MONITORING COMMITTEE

PROGRAMME MANAGER'S REPORT

Progress in RDPE implementation

Overview

1. The main developments since the last PMC meeting on the RDPE Programme have been:
 - good progress in RDPE implementation by RDAs, though with some stakeholder comment on variability between regions;
 - increased promotion of Entry Level Stewardship to improve uptake;
 - first notification of changes to the programme to the European Commission (mainly in response to review of progress of Environmental Stewardship);
 - the conclusion of negotiations on the CAP Health Check.

Axis 1, 3 and 4 delivery by the Regional Delivery Agencies

2. Good progress in Axis 1, 3 and 4 delivery has been reported by Regional Development Agencies. A range of projects have been selected under axes 1 and 3 some on a large scale and some at a more local level. 61 Local Action Groups have been selected, and one of them has already begun to approve projects. Further detail, including the list of Local Action Groups is provided in the paper which reports on RDPE implementation. During this period there has been increasing stakeholder interest in RDA delivery of the programme and some concerns emerging about delays or inconsistency. We are working with RDAs, and other delivery bodies, to decide how best to report progress across the regions.

Energy crops

3. As discussed at the previous PMC meeting the establishment of biomass crops under the Energy Crops Scheme is well below the targets set out in the Programme. Policy responsibility for this element of the RDPE has been transferred to the Department of Energy and Climate Change (DECC). Colleagues in DECC have identified issues which could improve uptake and will work with Defra policy leads and delivery bodies to identify those which can be taken forward.

Axis 2

4. The target for agri-environment scheme uptake was confirmed (in the NE Corporate Plan) as 70% of eligible land under agri-environment agreement by March 2011. Achieving this will prove a challenge and requires an increase over the current rate of uptake – coverage is currently around 63%. Over 60% of existing agreements are due to expire before March 2011 and a key priority will be to ensure that these are entered into new Environmental Stewardship agreements.
5. As part of addressing this challenge Natural England are finalising a project plan for the scheme and information technology changes that will need to put in place for Environmental Stewardship in order to contribute to meeting the scheme uptake target.
6. It is anticipated that Ministers will be soon be taking decisions on changes to upland support including the introduction of Uplands Entry Level Stewardship.
7. The Forestry Commission report a good response to their woodland creation round resulted which is in line with the annual target.

Programme notification

8. In October we notified the Commission of a modification to the Programme to implement the first element of changes following the ES Review of Progress. Other revisions to the Programme included: an amendment clarifying the funding of anaerobic digestion under Axis 1; updated details (from the RIPs) of the demarcation criteria between RDPE and structural funds; and some updating of the financial tables and targets/indicators. This is covered further under agenda item 4.

Consultation on the selection criteria for RDPE

9. The PMC was consulted on the selection criteria for operations under the programme at its meetings in October 2007 and February 2008. Following a recent meeting between the RDPE Programme Team and the EU Commission to review the first year's progress with the programme, it has been suggested that further action is needed to ensure this process of consultation is properly concluded in accordance with the requirements of the regulations. This will be discussed further in the meeting.

Business Support Simplification Programme

10. The Business Support Simplification Programme is Government's response to business concerns about the multiplicity of publicly-funded products, brands and providers. The Government is streamlining the number of products available from an estimated 3,000 to an initial 30 and making Business Link the main access route to support. This will make it easier for companies to get the help they need. Products will have a common look and feel to give instant recognition.

11. The Programme has resulted in a portfolio of business support products called 'Solutions for Business' which was launched on 23 October. The portfolio covers a range of advice, loans and grants that will be provided to businesses and incorporates all levels of government – national, regional and local.

12. Support under Axis 2 of RDPE delivered by Natural England (NE) and the Forestry Commission (FC) to farmers, foresters and land managers is part of the BSSP portfolio. The main impact will be to make it easier for Business Links, FC and NE to work together so that RDPE customers can be supported to access the full range of products to help them deliver their business. Support under Axes 1, 3 and 4 is being handled separately.

CAP Health Check

13. The CAP Health Check negotiations concluded at the November Agriculture Council on 20 November. The agreement provides for compulsory modulation to increase gradually by a further 5% by 2012, with an additional 4% for farmers receiving more than €300,000 in direct payments. In the UK we shall be required to reduce voluntary modulation to offset the increase in compulsory modulation. There will therefore be no net increase in modulation or in funds available for the RDPE as a result of the agreement.

14. Some changes were also agreed to the Rural Development Regulation and to the 'new challenges'. Member states will be required to revise and resubmit their National Strategy Plans and RDPs to take account of the changes by June 2009. We do not expect this to lead to significant changes in the RDPE. The PMC will be consulted as this process is taken forward.

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