

THE RURAL DEVELOPMENT PROGRAMME FOR ENGLAND 2007-2013



Annex to Chapter 3.4

Impacts of the previous programming period: EAGGF resources and other measures deployed to support rural development.

1. This Annex summarises information on expenditure under European Agricultural Guidance and Guarantee Fund (EAGGF) financed measures over the programming period 2000 -2006, and gives details of the known impact of this funding, details of the outputs arising from the schemes funded, and evaluations of the schemes and Programmes. It also provides information on other EU and domestic funding which supported rural development measures that were in operation concurrently with the England Rural Development Programme (ERDP) 2000-2006.

EAGGF Guarantee Section

2. In the programming period 2000–2006 the Rural Development Regulation (Council Regulation (EC) No 1257/1999) was implemented in England through ERDP.

3. Over the programming period, a total of £1.6 billion (€2.34 billion) was allocated to the ERDP. Of this, £628m (€905m) was provided by the EAGGF Guarantee Section. The remainder of the Programme's funding was made up from Community and additional national modulation of Pillar 1 direct support payments and national exchequer expenditure.

ERDP Outputs and Impacts

4. Table 1, shows expenditure for schemes financed under the ERDP in the 2000/01 to 2006/07 periods. Where appropriate the area of land covered by these schemes in 2006 is shown in Table 2.

Table 1 ERDP schemes - indicative expenditure^a October 2000 to 15th October 2006 (£000's)

	2000/01 ^[11]	2001/02 ^[12]	2002/03 ^[12]	2003/04 ^[12]	2004/05 ^[12]	2005/06 ^[12]	2006/07 ^[13]	2000-2007 Total ^[14]
Farm Woodland Premium Scheme ^{[1], [10]}								
<i>Total Expenditure</i>	6,110,943	4,039,344	8,011,784	10,150,795	10,638,422	11,190,327	207,754	50,349,369
<i>EU Contribution (EAGGF)</i>	2,095,479	1,141,809	2,870,995	3,656,663	3,872,991	4,108,457	72,297	17,818,692
<i>EU Contribution (Modulation)</i>	0	0	0	0	0	0	0	0
Hill Farm Allowance Scheme								
<i>Total Expenditure</i>	40,713,967	4,141,910	57,712,786	51,811,863	23,982,912	7,535,895	20,771,639	206,670,972
<i>EU Contribution (EAGGF)</i>	5,157,733	1,729,083	10,102,069	9,920,917	10,813,152	3,722,725	10,385,263	51,830,942
<i>EU Contribution (Modulation)</i>	0	0	0	0	0	0	0	0
Organic Farming Scheme								
<i>Total Expenditure</i>	6,405,013	10,296,427	12,566,880	9,958,545	5,880,116	4,212,069	939,152	50,258,202
<i>EU Contribution (EAGGF)</i>	3,125,276	1,588,718	1,087,152	780,674	340,177	59,046	-5,296 ^d	6,975,746
<i>EU Contribution (Modulation)</i>	0	3,500,146	5,168,536	4,179,036	2,574,568	1,991,578	466,852	17,880,716
Woodland Grant Scheme ^[2]								0
<i>Total Expenditure</i>	12,036,000	9,286,000	11,994,000	10,093,000	11,921,000	15,922,816	10,892,416	82,145,232
<i>EU Contribution (EAGGF)</i>	6,154,000	4,771,000	6,069,000	5,088,000	5,993,000	4,110,924	2,516,385	34,702,309
<i>EU Contribution (Modulation)</i>	0	0	0	0	0	0	0	0
Energy Crops Scheme (Producer Groups)								
<i>Total Expenditure</i>	0	0	0	84,410	168,924	320,072	931,312	1,504,717
<i>EU Contribution (EAGGF)</i>	0	0	0	7,914	33,254	56,581	205,612	303,361
<i>EU Contribution (Modulation)</i>	0	0	0	0	0	0	0	0

^a Indicative figures are based on accounts reported by the Rural Payment Agencies. These were net payments made through the RPA and include adjustments made for administrative errors, interest and irregularities.

^b The negative figure reflects a combination of factors including accounting adjustments and recoveries on payments made to beneficiaries under OFS who subsequently failed to transfer the land on which payment was made into the OELS scheme.

Energy Crops Scheme (Establishment Grants)								
<i>Total Expenditure</i>	0	234,360	128,098	163,855	327,911	621,315	2,244,546	3,720,085
<i>EU Contribution (EAGGF)</i>	0	117,180	19,679	38,639	162,359	276,250	1,134,575	1,748,682
<i>EU Contribution (Modulation)</i>	0	0	44,370	77,580	52,804	144,459	482,965	802,178
Processing and Marketing Grant ^[3]								
<i>Total Expenditure</i>	0	798,994	4,021,876	10,030,340	7,528,124	5,619,892	4,993,629	32,992,855
<i>EU Contribution (EAGGF)</i>	0	399,182	2,010,938	5,015,170	3,764,062	2,795,981	2,495,924	16,481,257
<i>EU Contribution (Modulation)</i>	0	0	0	0	0	0	0	0
Rural Enterprise Scheme ^[4]								
<i>Total Expenditure</i>	0	2,094,775	10,621,288	20,375,639	25,783,643	29,119,039	22,662,171	110,656,556
<i>EU Contribution (EAGGF)</i>	0	1,059,367	5,310,644	10,187,219	12,891,821	13,884,573	11,327,038	54,660,661
<i>EU Contribution (Modulation)</i>	0	0	0	0	0	0	0	0
Vocational Training Scheme ^[5]								
<i>Total Expenditure</i>	173,657	427,931	1,269,350	2,170,458	3,078,536	3,816,737	3,688,582	14,625,251
<i>EU Contribution (EAGGF)</i>	86,829	211,159	634,675	1,085,229	1,539,267	1,962,832	1,348,934	6,868,925
<i>EU Contribution (Modulation)</i>	0	0	0	0	0	0	0	0
Environmental Stewardship ^[6]								
<i>Total Expenditure</i>	0	0	0	0	0	12,819,508	43,955,240	56,774,747
<i>EU Contribution (EAGGF)</i>	0	0	0	0	0	517,438	23,563,987	24,081,425
<i>EU Contribution (Modulation)</i>	0	0	0	0	0	6,151,629	-5,863,736 ^c	287,894
English Woodland Grant Scheme ^[7]								0
<i>Total Expenditure</i>	0	0	0	0	0	56,798	3,846,553	3,903,351
<i>EU Contribution (EAGGF)</i>	0	0	0	0	0	28,399	1,663,909	1,692,308
<i>EU Contribution (Modulation)</i>	0	0	0	0	0	0	0	0

^c At EU request, for accounting reasons there was a transfer of expenditure from Modulation to EAGGF funding towards the end of the Programming period. This affected several schemes, but only the ES scheme went into negative figures for this reason.

Countryside Stewardship Scheme ^[8]								
<i>Total Expenditure</i>	25,818,838	41,517,591	53,061,374	72,731,788	106,375,164	118,705,581	12,777,165	430,987,502
<i>EU Contribution (EAGGF)</i>	7,865,765	10,615,010	10,120,167	9,839,542	8,570,716	7,586,805	16,425,491	71,023,496
<i>EU Contribution (Modulation)</i>	0	3,311,765	9,803,620	18,324,578	31,421,560	37,129,771	126,501	100,117,795
Environmentally Sensitive Areas Scheme ^[9]								
<i>Total Expenditure</i>	32,957,858	41,298,799	53,201,487	60,525,832	69,112,979	68,413,132	21,195,631	346,705,719
<i>EU Contribution (EAGGF)</i>	14,708,117	15,651,107	13,347,871	8,320,203	8,854,122	6,301,062	3,534,098	70,716,580

[1] FWPS closed to new applications on 30/06/2005.

[2] WGS closed to new applications on 28/06/2004.

[3], [4] & [5] Closed to new applications June 2006.

[6] ES opened to applications from 01/08/2005.

[7] EWGS opened to applications on 01/07/2005.

[8] CSS closed to new applicants in 2004.

[9] ESA closed to new applicants in 2004.

[10] Forecast for 2006/07 includes WGS, FWPS and EWGS.

[11] Expenditure 1 Oct 2000 to 31 March 2001.

[12] Expenditure 1 April to 31 March.

[13] These were net payments made through the RPA and include adjustments made for administrative errors, interest and irregularities.

Table 2 - Area of Land covered by ERDP Programme Agreements (ha)

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2000-2007 Total
Arable Steward-ship Scheme ⁴	358	535	566	572	541	195	0	
Farm Woodland Premium Scheme ⁵	3475	4783	4699	4933	1947	611	1	20404
Hill Farm Allowance ⁶	-	1278892	1228351	1241924	1242256	1244196	1245000	Not applicable
Organic Farming Scheme ⁷	-	179064	198175	141807	140989	50084	46063	-
Woodland Grant Scheme ⁸	39347	48840	28330	56641	65698	41167	1345	281368
Energy Crops Scheme (Establishment Grants) (Total)	-	233	117	94	409	948	2737	4538
Short Rotation Coppice (SRC) <i>Miscanthus</i>	-	233	65	-	107	290	392	1181
Environmental Steward-ship ⁹	-	0	52	94	302	658	2345	3357
English Woodland Grant Scheme <i>New</i>	-	-	-	-	-	4952	1482	Not applicable
<i>Existing</i>	-	-	-	-	-	64922	33054	Not applicable
Country-side Steward-ship Scheme ¹⁰	159496	254715	333829	456115	508272	508410	501225	Not applicable

5. A summary of the number of agreements undertaken for each scheme under the ERDP over the period 2000-2005 is at Table 3.

⁴ ASS was a limited pilot scheme that closed to new entrants in 2000.

⁵ FWPS closed to new applications on 30/06/05. Table shows hectarage for agreements post 2000 only.

⁶ HFA opened to new applicants from 2001.

⁷ OFS closed to new applicants in March 2005.

⁸ WGS closed to new applications on 28/06/2004.

⁹ ES opened to applications from 01/08/2005.

¹⁰ CSS closed to new applicants in 2004.

Table 3 - ERDP schemes - Number of agreements undertaken 2000-2006

SCHEME	Number of Agreements to date¹¹
Farm Woodland Premium Scheme	3850
Hill Farm Allowance	Average 10,000 per annum
Organic Farming Scheme	1855
Woodland Grant Scheme	11995
Energy Crops Scheme (Short Rotation Coppice Producer Groups)	5
Energy Crops Scheme (Establishment Grants)	334
Processing and Marketing Grant	237
Rural Enterprise Scheme	2891
Vocational Training Scheme	789
Environmental Stewardship	26,925
English Woodland Grant Scheme	1931
Countryside Stewardship Scheme	15433
Environmentally Sensitive Areas Scheme	9902

6. Only partial data are currently available of the environmental, economic and social results of ERDP funding, and the impacts do not lend themselves to capture through monitoring data.

ERDP Programme Monitoring and Evaluations

7. There has been ongoing monitoring of the ERDP. Annual Reports of the ERDP have been submitted in accordance with Article 48(2) of Council Regulation 1257/1999 and Article 61 of Commission Regulation 817/2004. The Programme as a whole was subject to a Mid Term Evaluation carried out in 2003. Other evaluations were carried out on individual elements of the ERDP. Table 4 identifies these evaluations and details where they can be found.

¹¹ Over this Programming period only.

Table 4 - ERDP Programme and Scheme Evaluations

Evaluation	Author	Date of completion
Evaluation of woodland creation in England under the Woodland Grant Scheme and the Farm Woodland Premium Scheme	John Clegg &Co, Firm Crichton Roberts Ltd with CJC Consulting , ECOTEC Applied Ecologists	2002
Economic evaluation of agri-environment schemes	Centre for Rural Economics Research, Department of Land Economy, University of Cambridge and CJC Consulting.	2002
An Economic Evaluation of the Organic Farming Scheme	Centre for Rural Economics Research Department of Land Economy University of Cambridge	2002
The Mid Term Evaluation of the England Rural Development programme-Main Report	ADAS Consulting Ltd and SQW Ltd	2003
An Economic Evaluation of the Processing and Marketing Grant Scheme	ADAS Consulting Ltd and University of Reading	2003
Review of agri-environment schemes – monitoring information and R&D results	Ecoscope Applied Ecologists	2003

8. The ERDP agri-environment schemes are subject to ongoing monitoring. In addition, an annual report is completed on the Environmentally Sensitive Areas (ESA) and Countryside Stewardship Schemes (CSS). The most recent joint report was published in 2006, and covered the outputs for the years 2002-03 and 2003-04. Each of the 22 ESAs in England also has its own monitoring Programme.

Table 5 - Other Agri-environmental evaluations 2000-2006

Scheme	Researcher	Date of completion
Countryside Stewardship and Environmentally Sensitive Areas Schemes-Report on performance 2003/04 and 2004/05	Rural Development Service, Defra	2006
Countryside Stewardship and Environmentally Sensitive Areas Schemes-Report on performance 2002/03	Defra	April 2004
ESA Economic Evaluation and Monitoring Reports	Various	Various

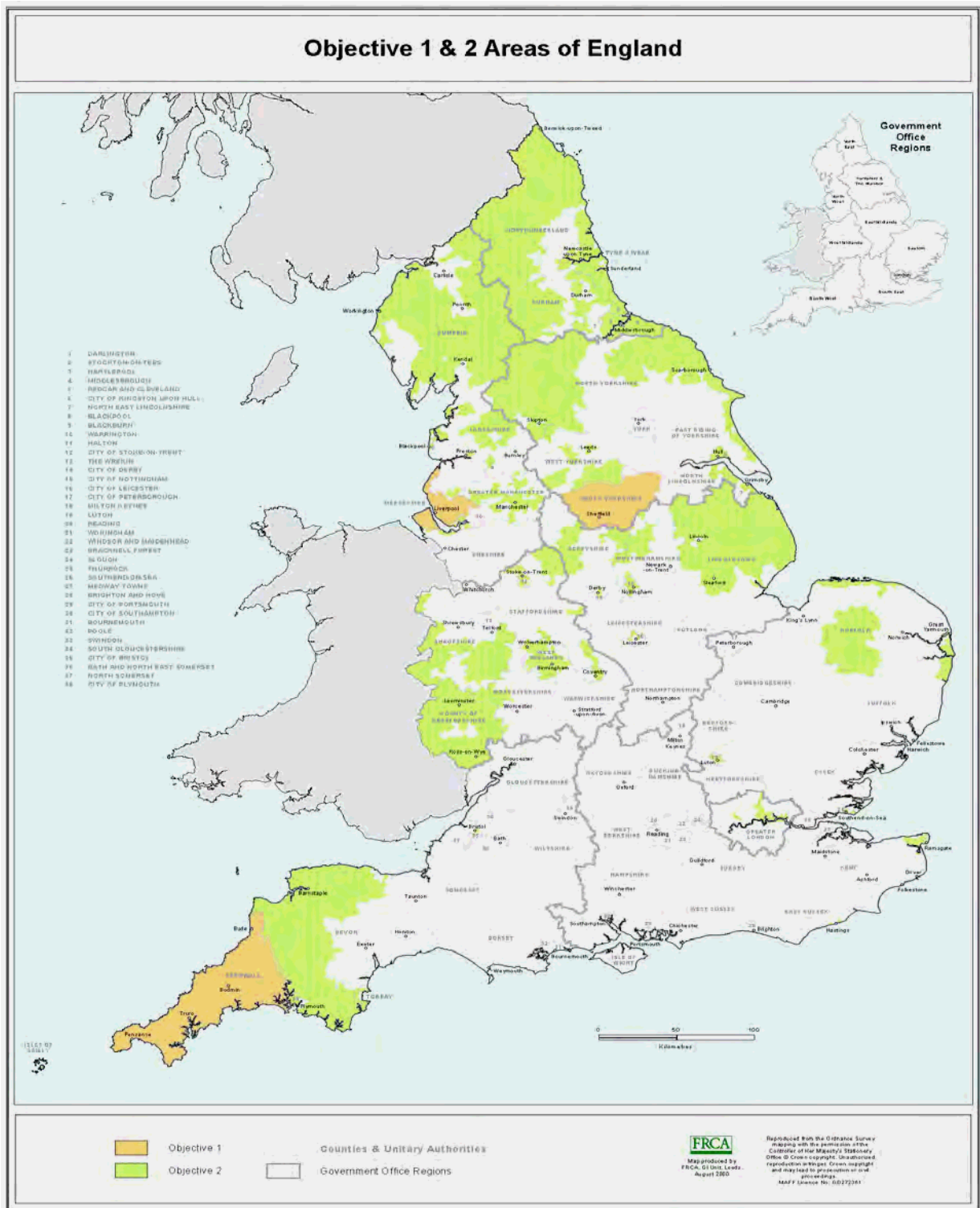
EAGGF GUIDANCE SECTION

EAGGF Guidance Section Outputs and Impacts

9. European Union Structural Funds including the European Regional Development Fund (ERDF), European Social Fund (ESF), European Agricultural Guidance and Guarantee Fund (EAGGF – Guidance Section) provided grant aid towards, or support for, a variety of measures including regional and local infrastructure, training, business support and diversification of economic activity in areas facing difficulty, together with support for farming in Less Favoured Areas (LFA). The ERDF contributed around 70% of the total Structural Funds support in England. EAGGF (Guidance Section) and ESF made up the remaining 30%, the breakdown of funding varying slightly between Programmes.

10. Support was targeted to Objective 1 and Objective 2 areas. There were three Objective 1 areas in England. There were Objective 2 areas in all nine Government Office regions. Figure 1 shows the respective areas for the 2000-2006 programming period.

Figure 1 - Objective 1 and 2 Areas



11. Under Objective 1, EAGGF Guidance funding supported the non-accompanying measures in three areas: Cornwall and the Isles of Scilly, South Yorkshire and Merseyside.

12. Objective 2 areas were mainly funded through ERDF schemes administered by Government Offices for the Regions, although they could also contain ESF actions. Each Objective 2 area produced a Single Programming Document (SPD) that set out the regions' strategic priorities.

13. The types of activity funded through Objective 2 programmes included activities that were similar to, and overlapped with, some measures of the ERDP, notably but not exclusively the Rural Enterprise Scheme (RES). To avoid duplication of funding in Objective 2 areas, funding under these measures was split between ERDF schemes and RES, according to the exact nature of the project activity. All other RES measures operated normally in Objective 2 areas.

Objective 1 Outputs

14. The UK Objective 1 programme budget for 2000-2006 was in excess of €5,500 million (at 1999 rates of exchange). Table 6 details the EAGGF and Exchequer match-funding element for England and the number of projects supported.

Table 6 - EAGGF Funding for Objective 1 on year-by-year basis¹²

Region	Year	EAGGF Expenditure (£)	Exchequer match funding (£)	Total Allocation ¹³	No. Of approved Projects per calendar year
Government Office South West					
	2000	0	0	9,887,068	1
	2001	262,078	269,930	8,674,648	28
	2002	7,389,546	7,437,491	8,187,008	28
	2003	7,992,338	7,961,837	7,405,448	19
	2004	8,723,692	8,433,590	6,310,596	25
	2005	8,858,354	9,107,585	6,271,184	30
Government Office Yorkshire and Humberside					
	2000	0	0	2,362,048	0
	2001	43,310	53,250	2,320,632	4
	2002	1,246,807	1,233,913	2,275,876	6
	2003	2,886,133	1,001,198	2,231,788	3
	2004	1,902,796	1,738,955	1,974,608	0
	2005	2,273,235	1,875,063	2,130,252	0
Government Office North West					
	2000	0	0	534,400	0
	2001	802	1,249	534,400	1
	2002	293,443	294,122	534,400	2
	2003	600,754	625,371	534,400	9
	2004	509,408	274,425	467,600	14
	2005	551,084	517,316	534,400	11

Evaluation of the Impact of Objective 1 and 2 in England

15. Structural Fund support has been subject to evaluation and review. Table 7 identifies these and where they can be found.

¹² The EAGGF expenditure and associated exchequer match funding is in sterling and is taken from the Commission draw down returns; it includes all UK public funding.

¹³ Allocations are taken from the original SPDs and converted from euros into sterling using the exchange rate of 0.668

Table 7 - Completed Evaluations

Evaluation	Researcher	Date of completion
Updated Mid-Term Evaluations of England Objective 1 and 2 Programmes-Collation of regional analysis	Government Operational Research Service/Dept of Transport	December 2005
The Effectiveness of the EU Structural Funds in Delivering the Governments Environmental Objectives	Fraser Associates	October 2005
Cornwall and Isles of Scilly Mid Term Evaluation	ECOTEC Research & Consulting Ltd	July 2003
Merseyside Mid Term Evaluation	Regeneris consulting	September 2003
Merseyside update to Mid Term Evaluation	Euandmerseyside.org	June 2005
South Yorkshire Mid Term Evaluation	Policy Research Institute, and Centre for Regional and Economic Social Research	September 2003
South Yorkshire Update to the Mid Term Evaluation	Objective 1 South Yorkshire	July 2005

16. The updated Mid Term Evaluation concluded that, for both the England Objective 1 and 2 programmes the majority of interventions would achieve their objectives. Those that had missed targets still had resources in hand, and programme managers had taken measures to rectify the problems. There was some concern with target setting, some targets were exceeded very early in the Programming period, whilst others were proving difficult to meet. A significant number of Programmes had revised their targets since the beginning of the Programme period. This suggests that initial target setting may not have been as accurate as it could have been. A number of problems were also cited regarding inaccuracies in definitions of indicators, in the underlying assumptions, or in calculations of baselines. In addition, there need to be effective methods for monitoring and managing the Programme, and the need to be joined up, both within the Programmes, and with other EU interventions.

LEADER+ Outputs

17. LEADER (Liaison Entre Actions pour le Développement de L'Economie Rurale - links between actions for the development of the rural economy) is a Structural Fund financed under the EAGGF Guidance Section to assist rural communities in improving the quality of life and economic prosperity in their local area. 25 areas in England have benefited from the funding.

18. In 2001, the initial funding allocation for LEADER+ was approximately £33 million. This has risen to £38 million owing to exchange rate fluctuations and indexation. Including the EAGGF allocated to the Programme there were additional contributions from Defra match funding and other sources, e.g. local authorities, other government departments, RDAs and the private sector.

19. Table 8 shows total Programme expenditure to December 31st 2006. Of the £38 million EAGGF funding allocated, £24.3 million has been spent. In the same period, around 724 projects have been completed, from a total of 1,355 projects authorised. The programme is fully committed and will spend its full allocation by the 31st December 2008.

Table 8 - Total LEADER+ eligible expenditure over Programme period to 31 December 2006 (£000's)¹⁴

Measure	Private	Public	EAGGF	Total
Local action group admin	123,029	3,823,206	3,613,767	7,560,002
Capacity building/training	13,027	453,281	418,494	884,802
Retrospective costs	11,351	55,238	56,636	123,255
Use of new know how and technologies	458,940	2,379,519	1,607,965	4,446,424
Improving the quality of life	6,212,698	12,021,165	8,047,819	26,281,682
Adding value to local products	3,724,969	4,522,118	4,076,478	12,323,565
Makes the best use of natural/cultural resources	3,209,664	7,294,511	5,170,007	15,674,182
Co-operation within the UK	157,199	551,743	467,388	1,176,330
Transnational co-operation	157,828	475,940	423,436	1,057,204
Network Costs		364,896	364,896	729,792
Programme management/monitoring	0	140,940	140,940	281,881
Other actions deemed helpful by PMC	0	0	0	0

20. Cumulative outputs against Programme targets are shown in the annual reports¹⁵. As at 2005, there were:

- 1221 jobs created or safeguarded in assisted businesses (111% of Programme target.)
- 315 new business start-ups (70% of Programme target.)
- 384 assisted farms or rural business introducing alternative activities (128% of Programme target.)
- 706 new market outlets established (202% of Programme target.)
- 11638 hectares of land demonstrating improved environmental management (194% of Programme target.)
- 2309 jobs created or safeguarded overall (41% of Programme target.)

LEADER+ Evaluation and Impacts

21. Evaluations of the LEADER+ Programme are identified in Table 9 below.

Table 9 - Evaluations of the LEADER+ Programme

Evaluation	Researcher	Date of completion
The Mid Term Evaluation of the LEADER + Programme	ADAS Consulting Ltd & SQL Ltd	December 2003
Mid term Evaluation update of the LEADER + community initiative Programme in England	The Rural Development Company in association with Fraser Associates and University of Gloucestershire	December 2005

¹⁴ Source: England LEADER+ Annual Implementation Reports 2001-2005, and provisional figures for 2006.

¹⁵ <http://www.defra.gov.uk/rural/leader/annualreport.htm>

22. Lessons learned during the LEADER+ Programme suggest that the LEADER+ Programme in England supported the development and delivery of an extensive body of relevant and valued development work, but neither captured the results and lessons well nor used this as effectively as it might.

23. The Defra commissioned report, *An Evidence Base for Mainstreaming LEADER in England*, produced by the Rural Development Company in association with Fraser Associates and University of Gloucestershire,¹⁶ support these conclusions.

National Rural Development Funding Streams

24. Other national funding streams have had an impact on rural development over the 2000-2006 period. Some of these funding programmes were aimed specifically at rural communities whilst others were applied nationally but had a rural component or provided support for specific projects affecting rural areas.

Rural Development activities of Regional Development Agencies

Single Pot

25. Until 2002, there was a number of national rural development funding streams, for example, the Single Regeneration Budget (SRB). After 2002, responsibility for rural economies was largely transferred to the RDAs, with the numerous funding streams subsumed into one budget, known as the 'Single Pot', which is divided between the RDAs according to a funding formula. Each RDA uses its Single Pot allocation according to regional need.

26. The RDA's have five statutory objectives:

- to further economic development and the regeneration of its region;
- to promote business efficiency and competitiveness in its region;
- to promote employment in its region;
- to enhance the development and application of skills relevant to employment in its region, and
- to contribute to the achievement of sustainable development in the UK where it is relevant to its region to do so

27. The RDAs' purposes apply as much in relation to its rural parts as its non-rural areas.

RDA Outputs

28. RDA outputs are currently focussed on the following measurables:

- employment creation (jobs created or safeguarded)
- employment support (number of people assisted to get a job)
- business creation (new businesses created)
- business support (no. of business assisted to improve their performance)
- regeneration including Brownfield land (either remediated or put back into effective use)
- skills (number of people assisted in their skills development)

¹⁶

<http://webarchive.nationalarchives.gov.uk/20080108002802/http://www.defra.gov.uk/rural/pdfs/leader/mainstreamingleader.pdf>

RDA Evaluations

29. An evaluation of the RDAs was undertaken in 2006 by SQW Ltd¹⁷. This reviewed the methodology behind existing evaluations, and made recommendations as to how these should be carried out in the future.

The Redundant Building Grant Scheme

30. The Redundant Building Grant (RBG) complemented the ERDP farm diversification objectives. The RBG scheme began in the early 1980's, and was administered on a regional basis. It is still functioning in some form in most RDA's, although there has been some rationalisation, which has resulted in some areas merging it with other schemes.

31. The grant was available in most regions. Any building was eligible which was planned to be converted for use by a business, such as manufacturing, services, craft, business and office-based activities. The normal grant contribution was 25% of costs.

Planning Consultancy Advice Scheme

32. The Planning Consultancy Advice Scheme was designed to provide farmers with assistance towards planning applications for RES diversification projects. The scheme ran from 2001/2002 to 2003/2004, and was delivered through Defra's Rural Development Service. It offered one day's free planning consultancy advice (initially up to £800 excluding VAT, reducing to £600 from 2003/2004) from an independent consultant, being a member of a recognised professional institution. The scheme was Treasury funded.

33. An evaluation in 2003¹⁸ reported that the scheme was popular, but that the one day of consultancy was in certain cases insufficient, and that the quality of the advice could be variable. The scheme was also not meeting its main objective of bringing forward RES applications, with only about 4% of participants actually applying for RES with only a third of applicants taking their plans forward to a planning application.

Agricultural Development Scheme (ADS)

34. The ADS was a grant scheme designed to allow farmers and growers to improve their competitiveness through better marketing. The first two rounds (up to November 2001) spent £5 million. A further evaluation of the later rounds (3 and 4) is due to be published in 2007.

35. An evaluation took place in 2003. Details are at Table 10.

Table 10 - Evaluation of the Agricultural Development Scheme

Evaluation	Researcher	Date of completion
An Economic evaluation of the Agricultural Development Scheme	ADAS consulting Ltd /University of Reading	July 2003

36. The ADS evaluation concluded that market failure did exist in relation to collaborative working in the food chain, and that additionality was relatively high from projects supported. Wider conclusions related to the need to reduce bureaucracy, in

¹⁷ DTI Occasional paper No.2 'Evaluating the Impact of England's Regional Development Agencies- Developing a methodology and evaluation framework' (PA Consulting/SQW Ltd February 2006).

¹⁸ Review of the Defra Planning Consultancy Advice (PCA) Scheme and Other Planning Advisory Approaches, (Land Use Consultants/ Kernon Countryside Consultants, November 2003)

part around the interaction between the Scheme and activities funded under the ERDP, and to improve the use of experts in assessing applications.

National Support for Environmental Maintenance and Improvement

37. There were three main national mechanisms, which provided support for environmental maintenance and improvement:

- English Nature management agreements;
- National Park management agreements;
- the Countryside Agency's Land Management Initiative

English Nature management agreements

38. The aim of English Nature's management agreements is to safeguard and manage land of national nature conservation value, including Sites of Special Scientific Interest (SSSI), to protect and enhance the habitats, species and features for which these sites are designated. There are different types of agreements, for land designated as a SSSI, undesignated land adjacent to an SSSI, or land, which is also proposed for declaration as a National Nature Reserve.

39. Management agreements compensate land managers for the opportunity costs incurred in maintaining the nature conservation and natural heritage interest of the site. The occupier may have a statutory entitlement to be offered this from of agreement. These agreements are being phased out in favour of more positive management agreements, which pay for active management to achieve wildlife gain. The majority of these fall under the Wildlife Enhancement Scheme, which has a standard menu of annual management payments. The scheme also includes provision for specific management works such as hedge laying, scrub control and water level management works.

40. Table 11 provides details of the area under English Nature agreements in each category, and

41.

42.

43. Table 12 provides details of the total expenditure on English Nature management agreements from 2001 to 2005.

Table 11 - Area under management agreements (ha)

	2001/02	2002/03	2003/04	2004/05	2005/06
Compensatory Agreements	4,335	3,754	3,357	2,600	2,006
Wildlife Enhancement Scheme Agreements¹⁹	not known	167,221	200,362	255,989	282,220

¹⁹ Area of SSSI under agreement

Table 12 - Expenditure on management agreements 2000-2005 (£million)

	2001/02	2002/03	2003/04	2004/05	2005/06
Compensatory Agreements	0.79	0.76	0.62	0.46	0.32
Wildlife Enhancement Scheme Agreements	not known	8.2	10.3	10.7	9.0

44. In the future, the majority of SSSI management involving agricultural operations will be funded through the Rural Development Programme for England 2007-2013 agri-environment schemes.

National Park management agreements

45. National Park management agreements are undertaken for the purpose of conserving or enhancing the natural beauty or amenity of the countryside or promote its enjoyment by the public. These voluntary contracts are long-term, generally around 20 years. Management agreements are a mechanism by which the National Park Authorities and others can enter into an agreement with land managers.

Land Management Initiative

Land Management Initiative Outputs

46. The Land Management Initiative Programme (LMI) was a series of demonstration projects that were intended to inform the Countryside Agency (CA) of measures required to promote and support Sustainable Land Management and Integrated Rural Development. Projects ran during the 1999 to 2004 period, were in different areas and operated at different scales. The outputs were not numerical, but were designed to inform future policymaking and delivery.

Land Management Initiative Evaluations

47. A detailed evaluation was performed in 2004. It was noted that many of the changes the LMI were intended to influence took place during the programming period, as a result of ERDP, CAP Reform, and the Haskins Review.

Table 13 - Evaluation of the Land Management Initiatives

Evaluation	Researcher	Date of completion
Lessons from the Land Management Initiatives (LMIs) –Sustainable Land Management and Integrated Rural Development	Land Use Consultants, December	December 2004

The Historic Environment

48. English Heritage is an executive non-departmental public body sponsored by the Department for Culture, Media and Sport (DCLG), although both Defra and DCLG are joint signatories for its funding agreement. It administers a variety of grant schemes, relating to both the urban and rural historic environment, and has recognised the value of agri-environment measures. It is noted that historic environment sites and archaeological sites tend to be better preserved in areas under ESA or CSA agreements. The schemes currently include repair grants for places of worship, repair funding for some cathedrals, grants for the care and conservation of a range of historic buildings, monuments and landscapes, and assistance in the repair of war memorials.

49. English Heritage also runs a number of schemes to develop the voluntary sector, joint funding with Local Authorities, (for either area funding, grants to underwrite repairs or acquisition of historic buildings in decay, and in recruiting conservation staff). There is also a national strategic budget supporting research for policymaking and national initiatives.

50. English Heritage also distributes funds received from aggregates extraction levies, introduced in 2002, for projects which aim to reduce the impact of aggregates extraction upon the Historic Environment.

The Historic Environment Expenditure

51. Expenditure for Buildings and Monuments Grants, Heritage Economic Regeneration Schemes (and CAPS) and the Churches Grant Scheme cannot be disaggregated to reflect rural and urban expenditure. The figures in Table 14 **relate** to the entire expenditure, the majority of which was on urban targets. It should be noted, however, that many of the places of worship are listed buildings in rural areas, as are many of the historic buildings.

Table 14 - English Heritage Expenditure 2000-2005

	2000	2001	2002	2003	2004	2005
Repair Grants for Places of Worship	13,700,000	3,200,000	6,300,000	9,227,000	9,194,000	9,141,000
Cathedral Repairs	2,900,000	2,500,000	2,000,000	1,943,000	2,074,000	981,000
Historic Buildings, Monuments and Designed Landscapes	13,300,000	11,400,000	10,400,000	8,525,000	7,566,000	9,030,000
War Memorials	0	0	0	21,000	37,000	50,000
Capacity Building for the Voluntary Sector	1,600,000	1,600,000	1,000,000	1,300,000	1,637,000	1,875,000
Local Authorities - Area Partnership Funding	8,600,000	9,600,000	6,600,000	9,817,000	7,652,000	4,327,000
Local Authority Grants for Conservation Staff	153,666	171,779	182,532	280,683	265,769	252,543
(figures included in HEEP figures below)						
Historic Environment Enabling Programme (figures include LA Grants for Conservation Staff)	4,555,900	5,472,589	5,411,320	4,919,118	4,693,089	5,264,394
Aggregates Levy Sustainability Fund	n/a	n/a	5,192,340	3,949,475	4,004,006	3,784,374