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**south west chamber of rural enterprise**  
*working together for a prosperous countryside*

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## **DEFRA Consultation: Rural Development Programme for England 2007-2013**

### **South West of England Response**

18 May 2006

This submission represents the views of rural organisations in the South West of England region, co-ordinated by the South West Chamber of Rural Enterprise (SW CoRE) and in conjunction with the South West UK Brussels Office. SW CoRE represents the land-based sector in the region, including conservation interests. A list of our Members can be viewed via [www.swcore.co.uk](http://www.swcore.co.uk). This paper was drafted following a consultation event in March 2006, attended by nearly one hundred separate organisations spanning the public and private sector.

We have not specifically addressed Cornwall and the Isles of Scilly in this response, which as a Convergence area will receive reserve funding for the rural development activities that transfer out of structural funds into the new single rural fund. However, SW CoRE endorse the separate response submitted by the Cornwall Agricultural Council and partners. A number of the local authorities are also submitting individual responses; similarly they have contributed to this regionally co-ordinated response.

### **Rural Context of South West England**

The South West of England is the most rural region in England, with more than half the population of 5 million living in rural areas. The South West has the highest proportion of land in agricultural use in the UK, with twice as many people employed in agriculture as the national average, and agriculture provides 2.5% of the regional GDP compared to a national average of 1.3%. The agricultural sector is dominated by the livestock industry, which faces a changing future as the effects of the 2003 CAP reform come into effect. Many of the regions environmental assets are dependant on grazing futures, the agricultural systems that underpin these and the market opportunities that will enable environmental land management to be successful in these areas and of course sustainable farm economies and lifestyles.

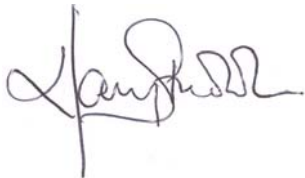
The region possesses important natural landscapes with 60% of the England's "heritage coastline", three world heritage sites, and a host of special conservation areas and sites of special scientific interest and a rich and diverse wildlife. The South West is also a maritime region, with the longest coastline of all of the English regions (over 1,130 kilometres in length). With more than 3 million (62%) of the population living within 10km of the coastline, the coast continues to play a vital role in the region's economy and in the quality of life of its inhabitants.

The outstanding quality of the South West's historic environment is widely recognised for its contribution to the region's quality of life, its popularity as a place to live, work and visit and, as a result, its contribution to the region's economic vitality. Its significance is reflected by the number of statutorily protected assets. Although the region accounts for just 19% of the land area of England, it has 39% of the country's Scheduled Monuments and 24% of all Listed Buildings.

The quality of the natural environment, however, masks the fact that many rural communities and enterprises are faced with growing social, economic and demographic pressures.

The South West supports and is committed to maintaining and developing a living countryside, comprised of sustainable rural communities which are able to respond in a flexible and positive way to the challenges and opportunities that they encounter.

We would urge Defra to acknowledge and reflect the views expressed in this response in a revised national strategy document.

A handwritten signature in black ink, appearing to read 'Harry Studholme', written in a cursive style.

**Sir Harry Studholme**  
**Chairman South West Chamber of Rural Enterprise**

## Summary of Key Messages from South West Stakeholders

1. There should be stronger recognition of the importance of profitable and successful land-based industries to rural economies. In particular, greater recognition of how land-based industries can contribute to achieving the other environmental and social objectives of sustainable development in rural communities. To achieve long-term sustainable development, agricultural and land-based activity needs to be inextricably linked to the wider rural economy and its community. This inter-dependency must be strengthened and allowed to prosper.
2. We agree with DEFRA's aim to 'ensure synergies between and within the axes are maximised and potential contradictions avoided'. We support the four 'shared priorities' for UK action outlined in 'Securing the Future' (The UK Sustainable Development Strategy), which resonate strongly with the environment of the South West, namely: (i) Sustainable production and consumption; (ii) Climate change and energy; (iii) Natural resource protection and environmental enhancement; (iv) Sustainable communities.
3. The consultation document does not give a clear steer as to how to develop support for sustainable land management in the rural areas. This is not a new question, and at the England level a strong approach has been developed to this challenge in the Sustainable Farming and Food work of the last few years. The overriding principal commitment to this, set out in paragraph 14 of the consultation document, is insufficiently developed throughout the remainder of the ERDP framework. We would welcome a clearer steer on DEFRA's view on this issue.
4. Regional and local flexibility are crucial to the new programme's success. To make the most of the opportunities offered by the EU Rural Development Regulation, decisions about which measures are appropriate for delivering Axes 1, 3 and 4 must be taken at the regional level within the context of a national framework, rather than centrally. We urge Defra to give meaningful regional flexibility to the programme and not to be over-prescriptive regarding measures for the programme.
5. Clarity is required on the arrangements for the management and delivery of the Leader approach as soon as possible. We support the intention to apply Leader across **all** three of the Defra themes, rather than being primarily focused on theme 3.
6. We seek reassurance that rural communities will not be "penalised" when it comes to priority setting of other EU funding (in particular structural funds) and mainstream national, regional and local funding streams. Although the Commission has proposed a "single rural fund" for delivery of EU rural development policy, this should not mean that this is the sole funding instrument for meeting all the needs of rural communities. An explicit statement in the programme clarifying this point would be welcomed.

Question 1: Do you agree with these four principles. If not please suggest alternatives?

Environmental organisations strongly support the amount of resources that Defra is proposing to devote to Axis 2/Theme 1 (80% of EU allocation) and believe there is a need for major investment to right unsustainable land management practices in the past, instigated by the CAP.

However, stakeholders with a stronger interest in economic and social development would welcome greater recognition in the final Programme of the potential social and economic benefits that can accrue from investment in the environment.

Sustainability, as set out at paragraph 14ii (p.7), refers only to the need for actions to complement the aims of all three axes and to the avoidance of net environmental damage. This paragraph ignores one of the key shared priorities for UK action, namely the creation of Sustainable Communities<sup>1</sup> of the government's own sustainable development strategy, published in March 2005.

This point should be revised and consideration should be given to promoting sustainable economic and community development operating within environmental limits (a "limits" based approach).

A commitment to addressing climate change and adaptation required to achieve this should be acknowledged.

Funding should be applied where its impact would be most significant and clarity is needed on how this can be achieved. Given the reduced European funding, there is serious concern about the commitment from government to provide the full matched funding for activities outside Environmental Stewardship. We would welcome reassurance that such resources will be made available.

The use of "themes" as opposed to the priority-axes set out in the Rural Development Regulation is confusing, we suggest reverting to the terminology of the EU Regulation.

Question 2: Are there any other overarching principles that should apply?

We support the commitment to integrate environmental sustainability into the Leader approach. However, we strongly recommend that the lessons learned from the 2000-2006 Structural Fund programmes (ref. DEFRA 2005), 'How the structural fund programmes have contributed to the delivery of UK environmental priorities', be developed and implemented into the ERDP. We would suggest adding an overarching principle that natural resource protection and environmental enhancement must be a vertical priority across the ERDP.

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<sup>1</sup> According to the Government's strategy, 'Securing the Future: delivering UK sustainable development strategy' ([www.sustainable-development.gov.uk/publications/uk-strategy](http://www.sustainable-development.gov.uk/publications/uk-strategy)), sustainable communities should be: (i) Active, inclusive and safe, with a strong local culture; (ii) Well run, with effective and inclusive participation, representation and leadership; (iii) Environmentally sensitive; (iv) Well designed and built; (v) Well connected, with good transport services and communications links; (vi) Thriving, with a flourishing and diverse economy; (vii) Well served by public, private, community and voluntary services that are appropriate and accessible to all; and (viii) Fair for everyone.

We strongly support the principle of regional and local flexibility in the selection and tailoring of measures but attention should be devoted to how this will be delivered in practice. The programme should build on good practice in current programmes and the lessons learned from Leader+ and Rural Pathfinder.

One further way of ensuring a programme that is adaptable to changing circumstances is to build in a research/analysis element into the programme from the start. This could enable re-targeting of programme elements if necessary, making it easier to report on whether interventions are making a significant and distinctive difference. This work could be carried out at regional and/or sub-regional level, with potential to use the proposed “national rural network” for benchmarking and comparative analyses.

Consideration should be given to support allocating finance to pump-prime or seed fund pioneering and exemplar projects. This specifically requires flexibility to offer small capital grants in addition to resources for feasibility studies or human capacity/training, where appropriate.

### Question 3: Do you agree that the proposals in this document support these?

While many of the components are identified in the programme on how to develop support for sustainable land management in rural areas, a weakness of the document is the lack of a consistent steer on this issue.

Good environmental stewardship will only come about in the context of a healthy economy and social setting.

### Question 4: Do you agree with the proposals for ensuring that Rural Development spending complements other policies and funding streams, in particular the EU Structural Funds and the European Fisheries Fund?

It is important at the outset of the programme to clarify what activities can be funded under the Rural Development Programme, and what activities will be funded through other programmes. Rural communities must not be excluded from accessing other funding streams (or treated as lower priorities) because the “single rural fund” is seen as the only instrument available to support socio-economic development of rural areas.

The principle of “rural proofing” should continue to be applied to other funding programmes, to ensure that rural communities can access “non-rural specific” programmes, where there is a clear eligibility (e.g. training, business support etc.).

Further clarity is welcomed concerning the issue of “complementarity” with EU Structural Funds and European Fisheries Fund, in particular regarding workspace activities, skills in rural areas and rural skills. Our understanding is that the proposed split between the funds is EAFRD – local, and Structural funds – regional and sub-regional, but it is not clear how the distinction will be made between local and sub-regional level.

We agree that the EAFRD needs to work in the context of Regional Sustainable Development Frameworks and Regional Economic Strategies, and the new programme must provide sufficient flexibility and adaptability at the regional and local level, to support actions identified as priorities within respective regional/local strategies. Over prescription from the centre would prove counterproductive to this approach.

Stakeholders raised a number of issues concerning “Less Favoured Areas”, which is subject to a separate DEFRA consultation but clearly links to this consultation as well:

- How are the challenges and opportunities for the Uplands to be met under the different themes? The “Uplands Reward Structure” predominantly relates to measures under Axis 2/Theme 1.
- Will Uplands communities be prioritised in themes 2 and 3 in relation to the other key areas, i.e. low income and sparse population?
- How are Themes 2 and 3 to be used to target this area?
- We would welcome further clarification on how Defra proposes to prioritise upland areas, be it on the basis of evidence of social/economic disadvantage or by virtue of meeting relevant geographical and environmental criteria?

## **Theme 1 – Enhancing the Environment and Countryside**

Question 5: Do you agree that the challenges and priorities listed under this theme are the right ones for the programme?

Many of the South West region’s environmental assets are dependant on grazing futures, the agricultural systems that underpin these, and then the market opportunities that will enable both environmental land management to be successful in these areas and of course sustainable farm economies and lifestyles. This will demand particular attention in the new programme.

We would welcome scope within the programme to help support and maintain the outstanding quality of the South West’s historic environment and natural assets, which are widely recognised for their contribution to the region’s quality of life, its popularity as a place to live, work and visit and, as a result, its contribution to the region’s economic vitality. Promoting sustainable economic and community development operating within environmental limits would achieve this.

Question 6: If not, what is missing or superfluous? (Please provide evidence for any suggested answers to this question)

We would welcome a wider EU policy context of renewable energy and biofuels, given the plethora of activity at the EU level, e.g.: adoption of the Biofuels Directive in 2003, adoption of a Biomass Action Plan in December 2005, and a proposal for a Biofuels Strategy by the European Commission presented earlier this year.

There appear to be a number of supply chain difficulties at present over biomass and energy crops, and a number of risks associated with developing the biofuels market at the primary stage when the rest of the supply chain is not sufficiently developed.

We would welcome clarity on how DEFRA see these risks being addressed to create confidence in producers that energy crops are a viable alternative to more traditional agricultural products. We would also like to see the new programme focus on enabling environmental supply chain development for all rural products, not just biofuels.

The inclusion in paragraph 41 (vi) of the reference to the “urban fringe”, given that the EAFRD is a fund for rural areas, is questioned.

### Question 7: What should the balance between priorities be?

The South West’s regional environmental priorities have been defined in a number of documents, including the South West’s Regional Environmental Strategy and Sustainable Farming and Food Delivery Plan – ‘Making a difference’, and we would refer DEFRA to these documents.

### Question 8: What would best enable delivery of this theme to be joined-up with delivery of other themes?

We would encourage a streamlined and co-ordinated approach to delivering all measures under the programme, building on existing delivery mechanisms in the region, thus avoiding duplication.

Adoption of such integrated approaches should be based on: -

- Joint delivery teams serving recognised local areas with credible community/sense of place.
- Teams supported by effective Knowledge transfer networks embracing research and development expertise, which are critical to securing a sustainable farming and food sector
- Linkages between farmer-farmer, local-regional-national and policy maker - practitioner. Developing strong business skills for rural businesses and businesses in rural areas alongside skills in sustainable land management and environmental enhancement.
- Local (sub-regional) delivery plans, with strategic ownership by the partners, so that delivery is driven by embedding a key element of the Leader approach across the entire Rural Development Programme.

We would welcome provision for mentoring and practitioner/business networks.

In our experience this approach has proven to be the most cost effective model and ensures a balance between countywide strategic development and more targeted development at a local level. It is imperative that all delivery bodies, including those at sub regional level, come together on a regular basis to ensure that a pre-agreed co-ordinated approach is applied effectively and evenly, to ensure an integrated, complementary and efficient delivery system.

## **Theme 2 – Making agriculture and forestry more competitive and sustainable.**

Question 9: Do you agree that the priorities listed under the 'making agriculture and forestry more competitive and sustainable' are the right ones for the programme?

Given the limited funding available under this theme further prioritisation is needed and stakeholders highlighted the three priorities of: - Knowledge Transfer, Business Support and Adding Value.

There is too strong an emphasis on training and the points about training are considered too prescriptive. Clarification is sought as to whether this level of prescription is determined in the Rural Development Regulation or by Defra. If the latter, then greater flexibility, e.g. to encourage entrepreneurship, would be welcomed.

Training is clearly an area that could fall within the remit of structural funds and other non-EU funding programmes, and we welcome further feedback on how this issue will be resolved with the new European Social Fund programme for England.

If delayed take-up of new technology and lack of entrepreneurial skills have been identified as constraining factors on farming productivity, then the skills and knowledge transfer priorities should address this need. The list at present does not do this. Bullet point 2 is the only reference to technology but does not mention training in this area. We would welcome emphasis to be placed in this paragraph on quality of training provision, accreditation and continuous professional development.

A number of bodies already specialise in and encourage the uptake of benchmarking tools, therefore, whether this should be a priority is questionable. Clarification is sought as to what is meant by bullet point 3 of paragraph 47. Is it expected that farmers will have greater influence over supermarket prices and if so how, particularly when price risk is difficult to manage in a commodity market?

Biomass and woodland development will not be appropriate for all farmers who wish to diversify. Farmers should be encouraged to identify their own training needs and business opportunities. Prescription runs the risk of duplicating problems that have become associated with the CAP, where production is led by drivers which do not reflect what actually best suits the producer, market, or the environment.

Resource protection training would be better placed under Theme 1. We suggest rolling all of the woodland priorities together as one.

Improvements in animal health and welfare should be linked to economic advantage and the programme should acknowledge this. This kind of linkage would be one way of illustrating flexibility between the themes.

We would consider the Innovation priorities to be a better fit with the business needs that are identified in paragraph 45.

Question 10: If not, what is missing or superfluous? (Please provide evidence for any suggested answers to this question)

Greater emphasis should be placed on developing human capital, knowledge transfer and mentoring. Support to exploit gaps in markets, development of supply chains and expansion of existing markets would, according to stakeholders, offer a more sustainable and profitable return than focus on new markets.

This consultation proposes one national programme for England. There is a strong feeling among stakeholders that for this approach to be effective, regions should be given the flexibility to tailor provision to address their specific needs and challenges. To do this they must be able to select from the full range of measures set out in the Rural Development Regulation, rather than a list determined centrally by Defra.

Question 11: What other developments might shift the priorities under this theme in the course of the programme?

There must be flexibility in all elements of the programme to take advantage of changing consumer and market trends. For the programme to be innovative requires "risk", and this must be recognised in the management of the programme. It is imperative that the programme is inextricably linked into commercial industries that will provide the motors for wealth creation, increasing worthwhile employment and the driver for enlargement of the skills base.

Other considerations are: (i) Energy demand (ii) The increasing drive to reduce food miles and farm energy use.

Question 12: What would best enable delivery of the 'making agriculture and forestry more competitive and sustainable' theme to be joined-up with delivery of other themes?

We would question the inclusion of "Uplands Communities" here, as this theme is about opportunity, not about addressing disadvantage.

Effective knowledge transfer networks between practitioners, research institutes and rural policy makers are crucial. Consideration should be given to a Rural Development Task Force to oversee the delivery of the programme, including representatives from the partners in this response plus the main funders/deliverers - Natural England and SW RDA. This could be done in conjunction with a review of regional organisational structures to minimise bureaucracy. The Rural Development Task Force could oversee the work of a rural delivery team working across the area on all themes under EAFRD and other related activity in the South West region.

### **Theme 3 – Enhancing Opportunity in local areas**

Question 13: Do you agree with the challenges and priorities listed under this theme?

Further clarity is required on: -

- How the priorities outlined will not duplicate activity from other rural programmes such as Rural Renaissance and therefore lead to confusion.
- What is meant by “strategy-led” and at what level – national, regional or local?

Stakeholders understand that although furthering of higher bandwidth connectivity is an important area for rural communities and businesses it is being delivered through other means than this programme, so it should not be a priority here.

Question 14: If not, what alternatives do you suggest and what evidence supports your suggestion?

The programme needs to be able to respond to and be clear on whether it is supporting lagging areas or whether the emphasis should be on ‘reinforcing success’. To enhance opportunity in rural areas it is necessary to identify what currently has the potential to grow and then invest in this growth and ensure that this is complementary to existing programmes such as Rural Renaissance, Market and Coastal Towns Initiatives, Modernising Rural Delivery and Rural Pathfinder.

Proposed additional priorities are: -

- i. Those on low pay and/or under-employed.
- ii. Economically lagging areas – not just areas of high concentration identified by low pay.
- iii. Remote areas with sparse populations that do not qualify as upland, e.g. moor and heath land, or other sparsely populated areas.
- iv. Expansion of successful delivery activities/businesses restricted by limited funding identified by ‘gap analysis’.
- v. Continued working with Business Link providing business support.
- vi. A definition of what is meant by small asset bases, as often a business needs injections of capital to diversify.

Question 15: How do we balance focus on specific areas experiencing particular concentrations of low pay with this problem in wider society?

Considerable work is needed to convince stakeholders that the suggested statistical targeting is robust and fit for purpose.

Question 16: How do we ensure that delivery of objectives under this theme are mutually supportive of those under other themes?

- By ensuring the intended integration with other mainstream funding, e.g. Learning and Skills Council, actually happens through joint commitments etc.
- Clarity over how the other two themes could support the Leader approach.
- Targeted research to develop a better understanding of the relationship between rural communities and land-based industries.
- Co-ordinated delivery approach through existing rural partnerships.

## **The Leader Approach in the New Programme**

Question 17: Do you agree with the regional flexibility outlined here?

Stakeholders support the Leader approach but showed less confidence in how this element of the programme is currently set out. The proposals outlined are too prescriptive to make the Leader approach achievable. Leader needs to be developed locally according to local needs. The draft proposals have created a strong centralised “top-down” structure to the programme, which is contrary to the Leader methodology of bottom-up community development, and contrary to the “Government’s commitment to devolving decision-making and resources, as set out in the Rural Strategy 2004”. Local groups will find it very difficult within these structures to think creatively and innovatively about what would best suit the needs of their rural communities.

Clarity is sought on how the selection process for Leader will work. From the draft implementing regulation there appear to be requirements for Leader groups to be selected on the basis of an open competition. If this is the case, stakeholders need to understand how this process will be organised, the criteria used to select groups, and who will be responsible in the selection process. Is this process led at a regional level with flexibility of control or will it be prescribed at a national level?

Timeliness in providing clarity over the Leader approach is extremely important, otherwise we risk losing capacity, expertise and enthusiasm which has been built up through existing Leader programmes.

More detail is required over funding. If Leader is to deliver across all three themes then Natural England should make funding available for the Leader approach to deliver environmental objectives. Thought needs to be given to how this will work in practice to provide for regional and local flexibility.

Question 18: What is the Leader approach best placed to deliver?

The role of Leader is to engage with the communities of geography, or groups with a common interest, e.g. forestry, that the programme is seeking to address. Defra needs to identify methods through which: -

- Local priorities can be established as opposed to “need” identified through national statistical data.
- A Leader approach needs to be applied at a very local level for best impact.

There was a strong view that the Leader approach must be delivered across all three priority axes (the three Defra themes) rather than being focused entirely on axis 3 – quality of life and diversification.

There are some practical issues that will need to be resolved in management of the Leader approach, where Leader projects deliver axis 2 measures which fall within the remit of the nationally managed element of the programme. The Forestry Commission and Natural England will want to develop an appropriate range of delivery mechanisms with their partners.

## **Delivery Arrangements for the New Programme**

Question 19: Do you agree with the balance between national strategy and co-ordination on the one hand and regional flexibility on the other? The balance described above is not reflected in the draft programme.

Scope for regional flexibility appears very limited against strong central prescription. This balance needs redressing with more scope for regional flexibility, to ensure that the programme is adaptable to meet the needs of rural communities.

We welcome the proposed integration with Regional Rural Delivery Frameworks but cannot see how this will work in practice in the South West region because of the general nature of the targets in the RRDF and the centralised prescriptive approach of the new programme.

Question 20: Do you have suggestions for adjusting the model proposed?

We want to see a model where: -

- Delegated delivery enables the South West RDA, Natural England and Forestry Commission to reflect national, regional and local priorities in delivery activities.
- Clarity and co-ordination over funding and demarcation to avoid confusion for those trying to access funding from the organisations involved.
- Allow flexible performance assessment.
- Local authorities also need to play a major role in programme delivery, as part of a representative partnership bringing together all of the key stakeholders.