

The New England Rural Development Programme – implications for the South West

An exploratory paper by Janet Dwyer¹ and Paul Silcock²,
to help inform the regional response to the Defra consultation, March 2006.

Overview

In responding to the Defra consultation on the proposals for the next England Rural Development Programme, rural stakeholders in the South West region need to have a clear idea of the potential for the new programme to meet regional needs and address regional opportunities. To do this it is necessary to examine the current programme and the changing context in which it has been operating, as well as considering the likely scale and pattern of implementation of the new programme in the south west. This paper outlines the current programme, examines the changing context, and considers how the architecture of the programme in the region is due to change after 2006. These elements then feed into an analysis of the key opportunities and challenges in relation to the new programme, as well as some key themes for the way ahead, in developing a successful programme for the South West of England for 2007-13.

1. The 2000-6 England Rural Development Programme (ERDP)

This programme was launched in 2000, comprising 10 schemes, which were divided into two types of scheme: land-based and project based.

The main land-based schemes were:

- Environmentally Sensitive Areas
- Countryside Stewardship Scheme
- Organic Farming Scheme
- Woodland Grant Scheme
- Farm Woodland Premium Scheme
- Hill Farm Allowance Scheme

Environmentally Sensitive Areas There are 9 Environmentally Sensitive Area (ESA) schemes operating wholly or partly in the South West. The total eligible area, current area under agreement, percentage uptake for each ESA and coverage in the region, is given in Table 1.

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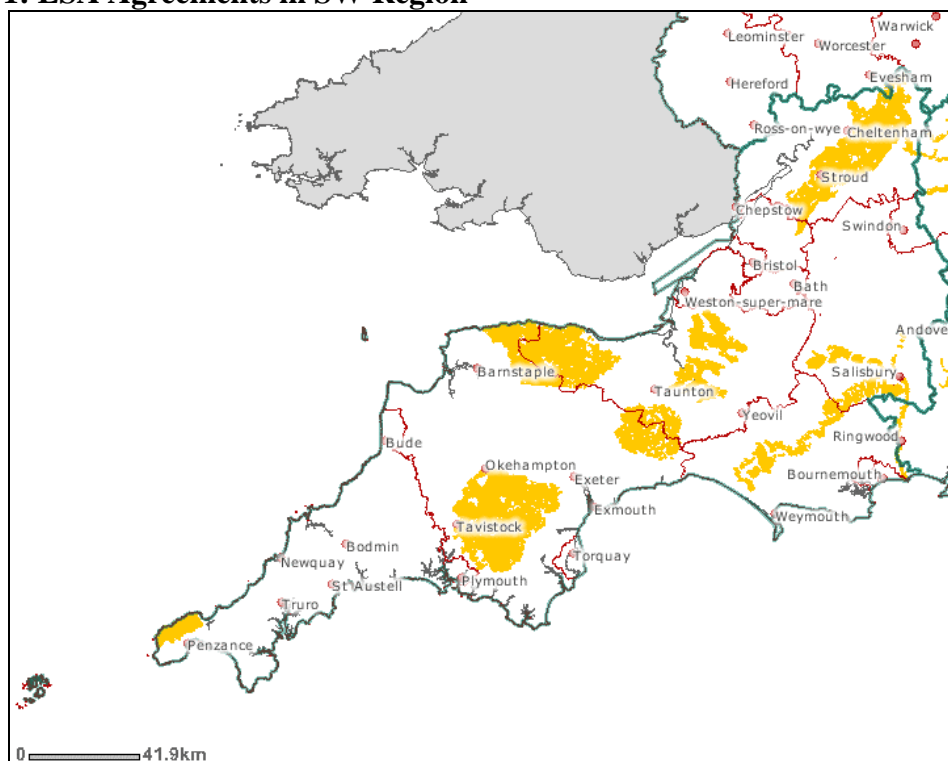
Table 1: ESA agreements in SW Region

ESA	Total eligible area (ha)	Area under agreement (ha)	% uptake of eligible area	All or part within SW Region
Blackdown Hills	33,400	14,097	42.2	All
Dartmoor	86,600	55,135	63.7	All
Exmoor	68,100	53,750	78.9	All
Somerset Levels & Moors	27,600	18,548	67.2	All
South Wessex Downs	44,300	26,187	59.1	All
West Penwith	8,600	7,953	92.5	All
Sub-total	268,600	175,670	65.4	
Avon Valley	4,000	2,536	63.4	Part
Cotswold Hills	65,900	51,292	77.8	Part
Upper Thames Tributaries	23,300	8,892	38.2	Part
Total	361,800	238,390	65.9	

Source: Defra (15 February 2006)

There has been a **relatively high uptake of ESA agreements overall, around 65%**. Uptake has been particularly high in West Penwith, Exmoor and the Cotswold Hills and particularly low in the Blackdown Hills and the Upper Thames Tributaries. **There is a high proportion of land under ESA agreements in the basic ‘Tier 1’ of management**, especially in the upland ESAs, eg Exmoor (98%) and Dartmoor (95%).

Map 1: ESA Agreements in SW Region



Source: www.magic.gov.uk

Countryside Stewardship Scheme

The total area and total number of Countryside Stewardship Scheme (CSS) agreements in the SW region at the end of 2003/4 is shown in Table 2.

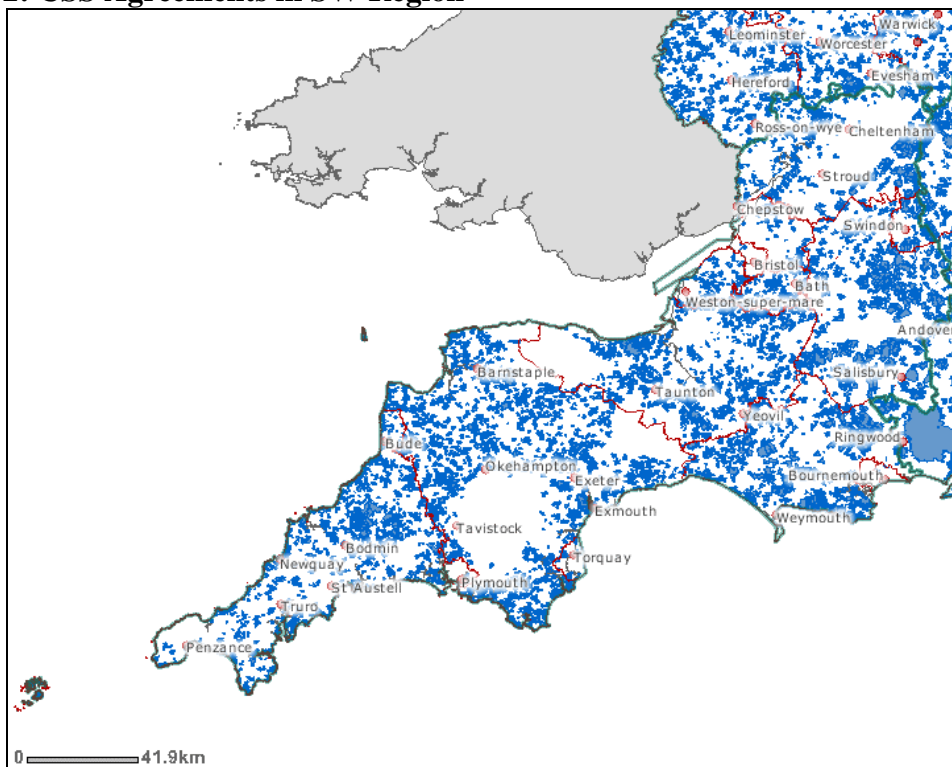
Table 2: CSS Agreements in SW Region

County	Area under agreement (ha)	Number of Agreements
Cornwall	12,320	633
Devon	21,910	1,194
Dorset	12,340	393
Gloucestershire	7,110	306
Somerset	16,220	694
Wiltshire	12,400	390
Total	82,300	3,610

Source: www.defra.gov.uk – data relates to CSS agreements with payments made in October 2004 (land management carried out in the period 1 October 2003-30 September 2004).

Current coverage of CSS agreements in the SW region is shown in Map 2.

Map 2: CSS Agreements in SW Region



Source: www.magic.gov.uk

The wide distribution of CSS agreements, outside the ESAs, is evident. Data is not available showing the breakdown of CSS agreements by land use category or land management option in the SW region. Planned restoration and maintenance of field boundaries under CSS in the SW Region is 7.4 thousand km for hedgerows and 145 km for dry stone walls. Source: www.defra.gov.uk

There has been a **rapid growth in number of agreements, area under agreement and expenditure relating to ESA and CSS agreements since the introduction of**

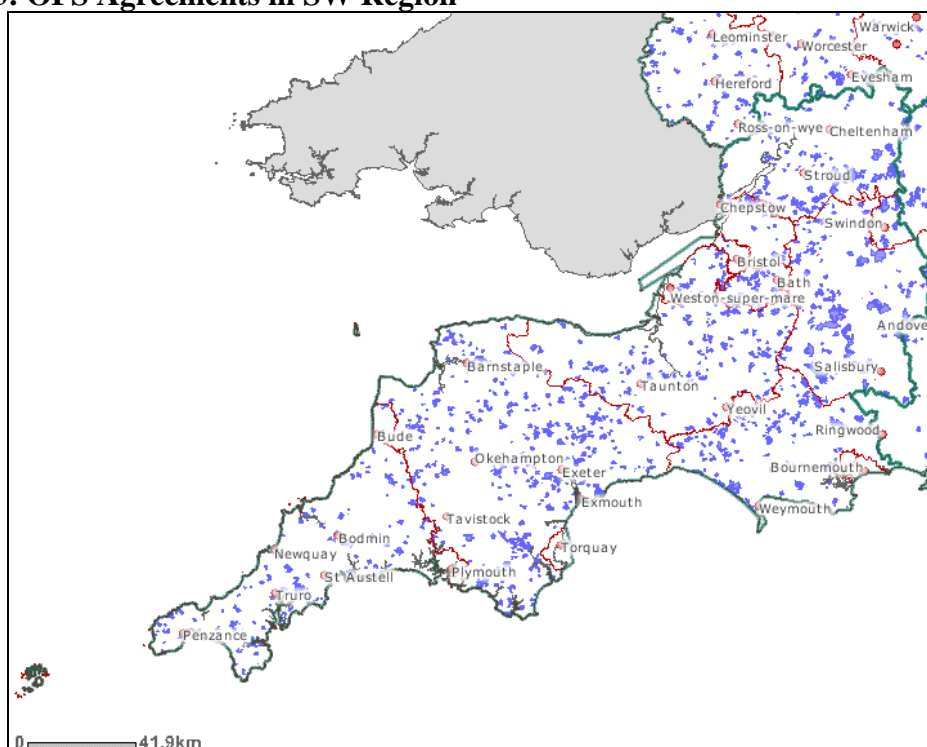
the ERDP in 1999. This has particularly been the case for CSS. In the SW Region the area under CSS increased from 30,096 ha (1,811 agreements) to 82,300 ha (3,610 agreements) over the period 1999-2006.

Organic Farming Scheme

The Organic Farming Scheme assisted farmers to convert to organic production over the period of a 5 year agreement. Payments taper down over the period of the agreement. Uptake of the OFS in the SW region is shown in Table 4. (www.defra.gov.uk)

Table 4: Organic Farm Scheme uptake in SW Region

Map 3: OFS Agreements in SW Region



Source: www.magic.gov.uk

Current statistics (January 2005) for organic land in the SW region are as follows: Total: 99,804 ha of which 90,712 ha are organic and 9,092 ha are in conversion. This total represents **5.3% of Total Agricultural Area in the SW region** and **38% of organic land in England**. There are a total of 1,005 organic producers and growers in the SW. This represents **40% of organic producers and growers across England**. **46% of English organic livestock producers (743) are based in the SW.**

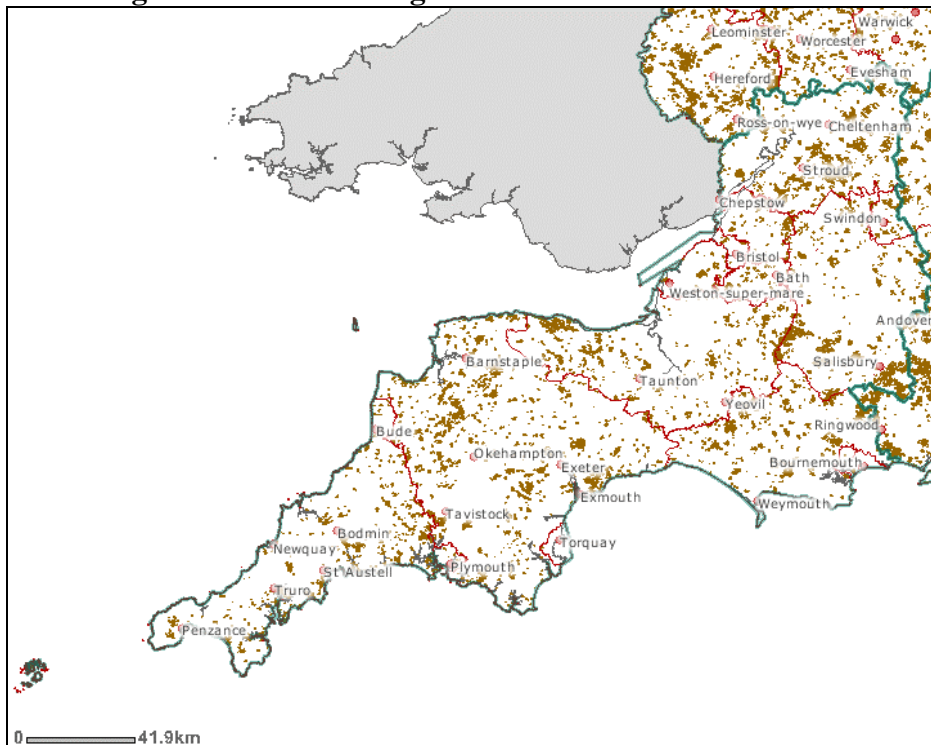
	OFS claims	OFS area (million ha)
2000	36,156	3.88
2001	58,460	5.34
2002	65,101	4.30
2003	73,576	3.23
2004	47,561	1.83
2005	21,534	0.55

Woodland Grant Scheme and Farm Woodland Premium Scheme

Regional figures for WGS and FWPS are difficult to obtain, but in 1997/8 there were 570 WGS schemes in the SW region covering an area of 14,800ha with a budget of £3.3 million.

Figures for FWPS in the South West show that in 1999, at the beginning of the ERDP period, there were 1,170 Farm Woodland Premium Scheme agreements relating to 4,979 ha of broad-leaved woodland and 1,054 ha of coniferous woodland, a total of 6,033 ha. 37% (2,219ha) of this total is located in Devon. The budget for this over the period 1992-1999 was £2.6 million. No more recent regional figures for FWPS uptake are available. National figures suggest an additional 19,791ha of woodland created over the period 2000-2005, with the total now standing at 43,067ha. This represents an **increase of 85% on the 1999 area** – which if applied to the SW region would suggest an **estimated 5,100ha of new farm woodland created over the current ERDP in the region**. National statistics show that the average size of FWPS woodland created was small - around 4.5ha - and 55% was located on arable land, 38% on improved grassland and 7% on unimproved grassland.

Map 4: WGS Agreements in SW Region



Source: www.magic.gov.uk

Hill Livestock Compensatory Allowances and Hill Farm Allowance

At the beginning of the ERDP, the Less Favoured Area support was paid on a headage basis using the Hill Livestock Compensatory Allowance. In 1999, HLCA expenditure totalled £5.34 million across the three counties in the SW Region with LFA land – Cornwall, Devon and Somerset. The allocation of HLCA expenditure by land category was: 85% to Severely Disadvantaged Areas (SDAs) and 15% to Disadvantaged Areas (DAs). 60% spend was for cattle and 40% for sheep.

In 2000, HLCAs were replaced by the Hill Farm Allowance (HFA) scheme which pays beef and sheep producers a payment on an area basis, according to land type. The latest figures for HFA scheme in the SW region (based on Exeter RSC data for the last full year available, 2004) are set out in Table 6.

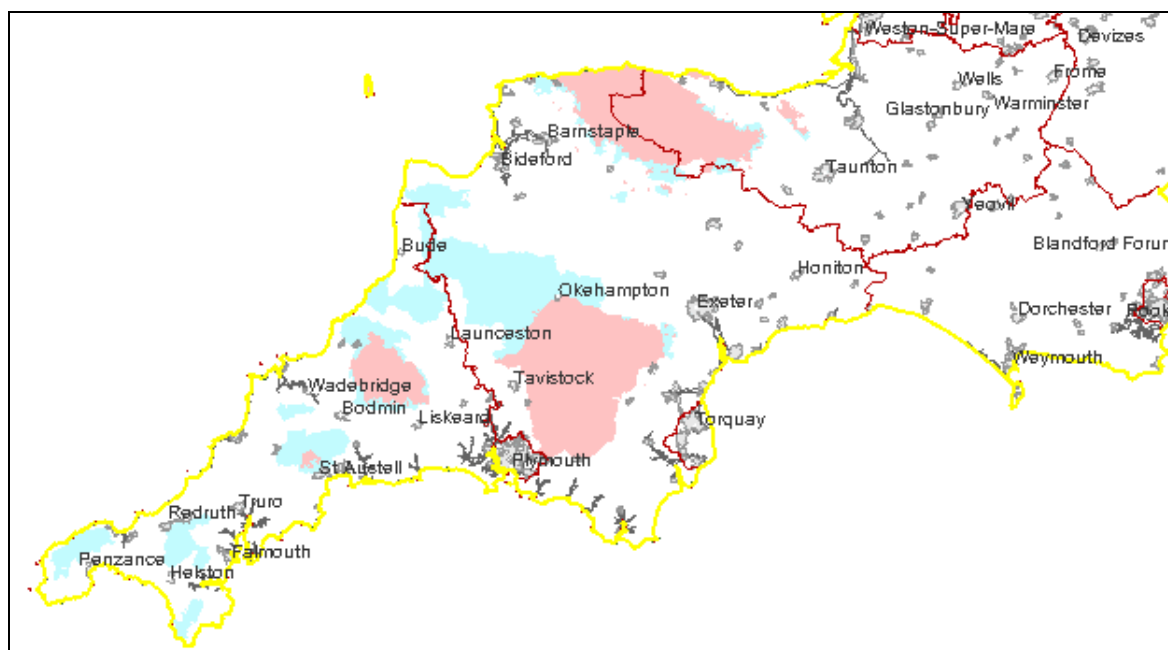
Table 6: HFA Scheme Expenditure in SW Region (2004) (source: Defra)

	SDA Land	DA Land	Moor-land	LFA Common	Total
Paid Amount, Full Rate (ha)	46,353	44,522	13,890	27,173	131,938
Paid Amount, Half Rate (ha)	425	1,045	4,160	8,702	14331
					146,270
Paid Amount at Full Rate (£)	1,767,889	918,043	200,574	392,384	3,278,890
Paid Amount at Half Rate (£)	8,100	10,776	30,032	62,828	111,736
Environmental Enhancements (£)	342,928	176,262	45,904	90,815	655,908
					4,046,535
No. Claims with enhancements	1412				
No. of Paid claims	1460				

HFA expenditure totalled £4.05 million in 2004 - 76% of the amount received under HLCAs in 1999, ignoring inflation. The SDA and DA areas in the SW Region are shown in Map 5.

Map 5: Less Favoured Areas in SW Region

Note: Severely Disadvantaged Areas pink; Disadvantaged Areas blue



The Project Based Schemes (PBS) were:

- Rural Enterprise Scheme (RES)
- Processing and Marketing Grant (PMG)
- Vocational Training Scheme (VTS)
- Energy Crops Scheme (ECS).

The planned budgets for these schemes (indicative allocations) in the South West region were:

- 18.62m - Rural Enterprise Scheme
- 5.24m - Processing and Marketing Grant
- 2.18m - Vocational Training Scheme

The ECS was a nationally administered scheme so there was no prior allocation by region for this scheme.

Table 7: Data on project based scheme uptake as at March 2006

	RES	PMG	VTS
Number of projects funded	251	32	55
Average grant award	£65K	£137.5K	£66K
Total spend	16.3m	4.4m	3.6m

Source: Defra

At the time of the Mid Term Evaluation of the Programme (2003), expenditure in each of these three schemes was lower than planned; however the reports concluded that it was likely all would outturn as planned by end 2006. Table 7 shows that this is indeed likely for the SW region, although VTS has already spent slightly more than was originally indicated and PMG and RES slightly less.

Also at the time of the Mid-Term Evaluation of the Programme in 2003, the main spending on these schemes was for farm-based diversification projects under RES, with lower spends on the community and environment elements of this scheme as well as on the other two schemes. However, the SW agricultural colleges had just begun to bid for significant funds under VTS following modifications to the scheme in 2002, and thus higher spend on this scheme was already anticipated

With the exception of the woodland schemes, all schemes were delivered by RDS, with bespoke teams in the regions for the CSS/ESA and the RES/PMG/VTS schemes, with separate but comparable regional targeting processes for these two groups. The OFS and ECS were untargeted and delivered by national RDS units. The woodland schemes were delivered by the Forestry Commission. As regards the regionally targeted schemes, there was some integration between Land-based and Project Based scheme promotion, but these two categories had essentially separate appraisal and delivery mechanisms.

2. Other CAP- funded measures in the SW region, 2000-6

Separate from the ERDP but funded also with CAP pillar 2 funds is the **LEADER+** programme in England. For this, individual Local Action Groups and strategies were approved through a national competition, which resulted in 6 groups in the southwest region – Somerset Levels and Moors, Blackdown Hills, Dorset Chalk and Cheese, Teignbridge, Salisbury and North West Devon, which were all established in 2001/2. Collectively these programmes are expected to spend around £14 million over the lifetime of the LAGs.

Also funded from CAP pillar 2 were some of the measures in the separate programme for the **Objective 1** area in Cornwall and the Isles of Scilly. These measures mainly target farm business advice, adjustment, diversification, training and investment, and include the Fresh Start Initiative, which has sought to help promote new entrants to farming within the county.

3. Programme changes since 2000 and changes to the delivery framework

In March 2005, Defra closed the CSS, ESA and OFS schemes to new entrants and replaced them by a single agri-environment scheme - **Environmental Stewardship**. This has three forms: the Entry Level Scheme (ELS), Organic ELS (OELS) and the Higher Level Scheme (HLS). The launch of ELS in particular, which is designed to attract the majority of farms in England, was only made possible by modulation of CAP Direct Payments at UK level.

Entry Level Stewardship & Organic Entry Level Stewardship

ELS is open to all farmers and aims to reward good land management and address environmental issues affecting the wider countryside such as diffuse pollution, soil erosion and the conservation of farmland birds. A flat rate payment is made for land entered into a 5-year agreement. OELS targets organic farmers and provides a higher flat rate payment than ELS. It is otherwise similar to ELS.

Higher Level Stewardship

HLS is intended to deliver more significant environmental benefits in high priority situations and areas (SSSIs are a particular target). Relatively high annual payments are available for the maintenance, restoration or creation of habitats. Capital payments are also available under HLS. In return farmers must enter their land into a 10-year agreement.

Table 7: Environmental Stewardship – no. and area of agreements in SW Region

	Applications received	Number of confirmed agreements	Area of confirmed Agreements (ha)
ELS	3,685	2,967	283,684
OELS	355	157	13,246
HLS	96		

Source: www.defra.gov.uk

Note: based on conditional agreement figures from Genesis running a report based on the number of agreements as at 15th February 2006; applications received based on RDS newsletter of February 2006.

The **SW region has received 23% of all ELS applications nationally and 49.5% of all OELS applications**, reflecting the number of organic farms in the region. The area in the south west that is now under ELS/OELS agreement is almost as high as the total area still under CSS or ESA agreement, which stands at around 300,000 hectares. This means that **today, almost 35 per cent of the region’s registered farmland is covered by an agri-environment agreement.**

England Woodland Grant Scheme

The EWGS replaced WGS and FWPS in 2004. It aims to sustain and increase the public benefits derived from existing woodlands; and invest in the creation of new

woodlands in England of a size, type and location that most effectively delivers public benefit. Key targets for the scheme are:

- increasing and maintaining the area of woodland under certified sustainable forest management and approved management schemes;
- expanding the area of woodland with public access;
- bringing woodland SSSIs into favourable condition;
- assisting delivery of Habitat Action Plan targets for native woodlands;
- improving the environment of urban communities; and
- woodland creation.

There is around **£3.5 million available for EWGS in the SW region in 2006/7**. This will be allocated so that over **50% goes to planting new woodland and 40% is committed to existing long term agreements** under the WGS.

In respect of the **Project Based Schemes**, the Review of Rural Delivery by Lord Haskins in 2002 recommended the transfer of these schemes to Regional Development Agencies after 2006, on the grounds of simplifying and unifying the delivery of all schemes with socio-economic goals at regional level. In accepting this aspect of the Haskins recommendations in its 2004 Rural Strategy, Defra announced that from then on, RDA representatives would sit in on the schemes' Regional Appraisal Panels. RDAs and Government Offices in the regions have also been tasked with overseeing the processes of rethinking and streamlining rural delivery in each region and supporting 'rural pathfinder' initiatives designed to promote more efficient and effective future delivery solutions, as the rural delivery review has rolled out nationwide.

In parallel, and in response to a number of other developments, there has been a significant growth of regional and sub-regional initiatives broadly targeting different aspects of rural development. These include:

- The post-FMD **rural recovery programmes**, followed by **rural renaissance** funding, which targeted the rebuilding of rural economies severely affected by Foot and Mouth. These programmes in the South West provided funding of around £17m over 3 or 4 years, distributed by county;
- The **Market and Coastal Towns Initiative**, and a variety of rural transport, rural services, village 'hub' and parish plan initiatives which have been supported by Countryside Agency (CA) and RDA funding;
- **Sustainable Development funds** for the National Parks – the SW has received around 1.75m over 5 years, for Exmoor and Dartmoor;
- Increasing support from the RDA and CA for the region's **Food and Drink partnership**, working with NFU/CLA and other industry and food chain stakeholders. Also under this umbrella, the SW food and drink skills network was set up by the Agricultural colleges in the region to provide appropriate training to support market adaptation in the sector;
- The **Farm Business Advisory Service (FBAS)**, overseen by the Small Business Service in the region, which was reviewed and continued in 2002/3. FBAS has spent over £0.5 million in the region per year on farm business advice and review;
- Other public agencies have also been variously involved in rural project work within the region. These include, for example, EA activity and support for Water Framework Directive-linked initiatives: the **Parrett Catchment**

project, **Westcountry Rivers Trust**, and **Landcare** in the upper Avon, **Heritage regeneration** funding by EH for several major projects in the region, as well as targeted EN LIFE and HLF-funded **habitat and landscape restoration** projects;

- **RSPB and other NGO-funded projects** to restore wildlife to particular areas (usually working through the promotion of CSS uptake, with advisory support from project officers and research/monitoring activities).

Alongside these developments, a range of support services has developed under the **Objective 1 programme in Cornwall**. This included SME advice, farm/rural advice, farm investments, and Cornwall Food and Drink grants, advice and training, as well as a new management initiative on Bodmin in the wake of the Obj 5b upland experiment, 1998-2002.

4. Changes in the context of rural funding, 2000-6: FMD and CAP reform

The other major changes affecting rural areas over the programme period have been the Foot and Mouth Disease (FMD) epidemic, and the most recent CAP reforms, both of which have stimulated and/or are likely to continue to provoke shake outs and re-thinks in the sector. In addition, changing environmental legislation, animal health and food safety requirements have also been significant.

FMD in the region was most severe in Devon and led to widespread culling and movement restrictions on beef, sheep and dairy farms in the county and further afield. Although herds have now largely been rebuilt, the experience has left its mark in the community in many ways.

The expansion of Nitrate Vulnerable Zones under the EU nitrates Directive a few years ago, and the anticipated increase in measures to control diffuse pollution of water by nitrates, phosphates, soil sediments and pesticides under the EU Water Framework Directive, seem likely to be an increasing influence upon farming practices in the region. The handling and safe use of manures and the avoidance of soil compaction and erosion will become more central to effective farm management, in future. Cattle identification requirements and the effects of growing incidence of Bovine TB both seem likely to put pressure on beef and dairy units in the short to medium term.

The 2003 CAP reform has meant the decoupling of farm support from production and the introduction of the Single Farm Payment (SFP) on most farms in 2005, replacing all previous direct payments tied to particular sectors. Although it is too early at this stage to track the impacts of this change upon agriculture within the South West region, key anticipated changes are as follows.

- A concentration of dairy farming into fewer, larger herds on the best land within the region, with many smaller or less cost-efficient producers leaving the sector;
- A reduction in the intensity of beef farming in the region, with many higher cost producers leaving this sector and a significant decline in grazing cattle numbers in many areas;
- A likely increase in the region's lowland sheep flock as production in this sector tends to replace former beef and dairy herds, and sheep numbers in the hills and uplands drop;

- A downturn in farming profitability in many sectors but particularly in the hills and uplands, with pressure upon businesses to enlarge, cut costs, diversify further (many are already diversified) or cease farming and let their land be taken on by others;
- A shrinkage in conventional arable area within the region, and a modest growth in previously unsupported land uses such as novel crops, biofuels, permanent crops (eg vineyards), equine and livery enterprises;
- A continuation of the trend of gradual contraction of the total agricultural area, as land is taken for other uses including housing, leisure and habitat creation (eg wetlands in floodplains, managed retreat on the coast).
- Through the Good Agricultural and Environmental Condition requirements under the SFP, more farms are likely to undertake soil planning and soil conservation measures in future, although the precise impacts upon land use and management practices are not yet clear.

5. The new Programme – key points

The new ERDP will be built around the new Regulation for rural development, the European Agricultural Fund for Rural Development (EAFRD) which was agreed in September 2005. This is focused on support in 3 ‘Axes’ corresponding to three key goals for the measures, plus a fourth axis which is effectively supporting a particular delivery mechanism, the LEADER approach. Under these axes are brigaded a slightly revised suite of measures for rural development which correspond broadly to the kinds of measures available under the existing programme. They include agri-environment, Less Favoured Area and forestry measures as well as farm and rural economy and broader rural community support measures.

Before considering the specific focus of the programme and its different elements, it is important to recognise its **relatively modest likely scale, by comparison with other sources of funding to the region**. With a total expected budget of perhaps £500 million or so over the seven years of the programme in the South West, the new Rural Development Programme will probably be significantly smaller than funding for EU Convergence (Cornwall) and Competitiveness programmes in the region. It also seems likely to remain much smaller than the funding available to farmers under the Single Farm Payment in the South West, despite the likely decline in this funding over the seven years beyond 2007. Nevertheless, it will probably constitute a significant resource in respect of funding for environmental land management, in particular, and it will remain important for specific roles such as the continuation of the LEADER approach within the region.

It is clear from the Defra consultation document **that spending on the land-based schemes will remain dominant** in money terms, with probably the same money in a revised LFA scheme, a steady growth in funding for Environmental Stewardship, and more modest growth in woodland/forestry schemes over the period 2007-13. **ES will be the major target for expansion**, mainly via the roll-out of ELS across most of the region. HLS uptake will be targeted at priority areas and issues including achieving enhanced condition of Sites of Special Scientific Interest and *Natura 2000* sites designated under the EU Habitats and Birds Directives. It may also be used to target the most sensitive catchments in respect of Water Framework Directive needs (this will highlight areas suffering from significant diffuse pollution as a particular target

for management changes). **The current HFA scheme for Less Favoured Areas will be revised**, probably becoming an upland areas' ES top-up scheme, in future (this is one of the options currently under consultation).

The design and delivery of funding for axes 1, 3 and LEADER will be for the Regional Development Agency (SWRDA) to organise. Building upon existing and emerging structures and apparatus within this region, **it seems likely that delivery will be through existing sub-regional and regional partnerships and agents**. The EAFRD Regulation commits the UK government to committing at least 20% of the total EU allocation for the programme (including compulsory modulation monies) to axes 1 and 3. It is not currently possible to estimate the likely scale of funds for these elements and for any LEADER groups in the new programme but it could be similar to, or slightly lower than, the c.£40 million of public funds that was available for the project based schemes and LEADER+ in the South West during 2000-6.

In addition to a basic allocation of funds for these three elements for the whole region 2000-6, the South West will benefit from the fact that **Cornwall will retain its special status** as an area deserving of additional funding to promote economic convergence. In respect of CAP funds, an additional allocation for Cornwall will be made which will probably be ring-fenced to be spent in this county but will be delivered through SWRDA, as with the other elements for axes 1 and 3. Although significantly smaller than the level of CAP funding under the current Objective 1 programme for Cornwall and the Isles of Scilly (around £15 million), this sum will probably still be of several million pounds, over the full period of the programme.

Drawing upon the current pattern of regional and sub-regional rural funding activity in the South West, it is possible to speculate how the future RDA funding under the new ERDP is most likely to be distributed. **Axis 1**, which represents support for encouraging farming and forestry competitiveness and includes processing and marketing, diversification and training and skills aids, seems most likely to be focused through the regional partnerships and support services, at least in the initial years of the programme. Food marketing and processing support would probably most simply be delivered through the Food and Drink partnership. Training and other advisory support would seem likely to be channelled through some kind of (perhaps modified) FBAS route and also through the Colleges' skills link under the Food and Drink network. The current Objective 1 services for farmer advice and training in Cornwall would also seem likely to continue to be supported.

For the wider range of sub-measures under **Axis 3**, and formerly combined in the Rural Enterprise Scheme (RES), future design and delivery might be through locally-tailored and possibly locally delegated grant services at sub-regional level, overseen by the Rural Renaissance Partnerships currently in place in each county. These are likely to involve district and/or county councils as important facilitators, also possibly Rural Community Councils and other local economic groups or service providers.

Of the main areas of focus for the new programme under these two axes, training and skills appear likely to be highlighted in Defra spending priorities for Axis 1, as well as support for intermediary bodies / promotion etc, and collaborative ventures in processing and marketing. For Axis 3 the clear national-level focus is upon need, disadvantage and social exclusion.

In respect of the future **LEADER** delivery mechanism, it would seem possible to envisage a reformulation of various existing sub-regional groupings under a common approach, to ensure more parts of the South West region are covered by LAG-type structures than is currently the case with LEADER+. As things stand, the structures could be developed from existing local authority/Rural Community Council/protected area, LEADER + and/or Objective 1 or 2-related partnership bodies in the region. For these groups it seems likely there will be an emphasis upon meeting identified needs and focusing in particular on socio-economic development, although the consultation document also stresses the ability of these groups to use measures from all three axes of the programme in an integrated way.

6. Opportunities

With this framework in mind, the new programme seems likely to offer the following key opportunities for the region.

- In respect of Environmental Stewardship, there is the opportunity for all remaining farms in the region to sign up to ELS, and for a smaller number to take up the more demanding and higher paid HLS. This should in turn bring new environmental benefits to farmland management in the region. This highlights the importance of picking up these increasing resources and making the scheme work effectively to address key environmental land management needs in the region – building on existing successes with predecessor schemes; for example, the Chough recovery project in Cornwall. In particular, more sensitive management of the region’s grassland for biodiversity, landscape, heritage and water protection (both reducing water pollution and preventing flooding) would seem a goal which the new schemes should seek to tackle more effectively than has yet been the case. This is likely to require more than the basic ES options, if it is to succeed. It should be noted that the South West region has the highest proportion of SSSIs in unfavourable or declining condition of any English Region. It also has one of the highest densities of traditional field boundaries and important historical and archaeological features in the landscape, many of which have declined in recent years.
- With the expanded coverage of environmental land management across the region will come scope to address some key environmental needs for the future, such as effective water catchment planning and management and the planning of appropriate bio-energy production and other climate-change mitigating developments. At the same time, there will be an important opportunity to take steps to consolidate the positive experience gained from the predecessor schemes of CSS and ESAs, as farmers come to the end of these agreements.
- The already high proportion of organic production within the region could well provide important opportunities to build effective sustainable development around this particular sector, in the South West. Linked on the one hand to the potential to plan organically managed landscapes and on the other to strong regional branding and firm supply chain control, this could be a distinctive feature of the region’s rural economy, in the future, if growth can be effectively sustained and managed.

- There are already strong links in the SW between the rural environment and the rural economy and, in many ways, the SW is a market leader in links between sustainable farming and forestry and sectors such as rural tourism and local food production. Diversification is already well established in the region. The new programme is likely to continue and deepen the search for ways which deliver long term environmental benefit, requiring solutions which ensure that environmental action and economic objectives are mutually reinforcing. This focus should benefit the SW and enable the region to continue to be a leader in this area. In the same way, the likely focus of the new programme on sustainable energy and climate change mitigation is likely to benefit the SW region where some of these developments are already established.
- In respect of Axes 1 and 3, there should be opportunities to use the new generation of RDP delivery agents - RRP, LEADER-style groups, local area initiatives and regional food and drink networks – to strengthen local linkages between the land-based and other sectors in the region. These include tourism, leisure, food and drink, the commercial processors of novel crops including bioenergy, and all those who are increasingly seeking rural business space. This has the potential to help develop and promote the unique selling points of the region’s environment, heritage and culture, in the context of future economic development.
- The plans for Axis 3 in particular should offer scope to promote improved quality of life in rural areas, particularly among communities and sectors hard hit by isolation and broader policy challenges and change. The new or reconstituted partnership structures must be able to support capacity building in local communities to help local people to identify and tackle key problems and needs, spawning more LEADER- style activities across the region.
- By comparison with the current framework for ERDP, the new delivery apparatus should give a more ‘local face’ to the variety of support schemes and structures for the programme. This has the potential to be especially helpful for community groups and non-farming sector interests, for whom there is evidence that the current RDS-based delivery framework (outside the Cornwall Objective 1 area) has not been sufficiently visible or accessible.

7. Challenges

One main challenge to a successful programme in the region appears to be the risk of ‘Silo mentalities’ developing between the two main responsible bodies for delivery – Natural England (NE) and SWRDA. This could lead to over-narrow definitions of regional ‘need’ in relation to the different axes of the new Programme and a lack of joined up planning and delivery on the ground.

Also, for axis 1 and 3 funding in particular, there is likely to be scope for much confusion among the traditional farm-based clients of current schemes, over the potential plethora of local, sub-regional funding bodies and routes through the funding maze, to access grants and advice. A similar problem will not apply to the land based measures in Axis 2 of the new programme, where delivery will be with a single organisation (NE), similar to the current situation.

To avoid this, there could be a need to promote changes in the more traditional networks and ways of working of the agricultural sector, to encourage farmers to connect with different interests and work with different partners. Increasingly, farmers won't be dealing with the traditional people and mechanisms that they have worked with in the past. At the same time, sub-regional delivery agents will need to be sensitive to the specific nature of, and pressures upon, farming families and the fragile social capital of the sector when promoting and supporting their grants and schemes. There will be risks of feelings of mistrust and exclusion surrounding this change in cultures that both sides may need to work hard to overcome.

At the same time, whereas currently it has been possible for a variety of less orthodox land owners and community interests to access support for environmental management under RES, it could in future be more difficult for these groups to get this kind of funding. Under the new Programme, the main focus of environmental spending will be Environmental Stewardship – a scheme targeted at mainstream land managers - which may not prove attractive or workable for other interest groups. As the growth of very small and non-commercial land holdings seems likely to continue, this could be a particular concern in some parts of the region, and in relation to some particularly important habitats, in future. This would suggest that Natural England should enable more locally tailored forms of management support alongside the mainstream scheme, wherever local circumstances seem to require this.

Given the proposed changes in support for the hills and uplands of the region, both through the HFA and in respect of wider CAP reform, there may well be a need to provide for new mechanisms to promote stronger socio-economic benefit in these areas, alongside the continuing influence of funding for environmental land management. Past experience would suggest that the best approaches are likely to be those which involve ordinary people in the upland communities in identifying issues and proposing solutions, but providing the right framework and context for this to happen effectively may not be easy and will probably require time and effort.

8. The way ahead

Bearing these opportunities and challenges in mind, the following key steps would seem to be important for the region, in planning for the new programme.

- Ensuring that the future land-based schemes can be made sufficiently flexible to cater for emerging needs as a result of CAP reform and other important changes affecting the region's land management. Key areas would appear to include
 - finding the best form for future HFA support to sustain effective moorland and in-bye management on Dartmoor, Exmoor and Bodmin;
 - providing for adequate ongoing environmental support in the 'Disadvantaged Area' areas of the current LFA in the region with particularly vulnerable and important environmental and heritage characteristics, in the event that a decision is made nationally to end the DA designation (for example, West Penwith);
 - ensuring support for continued and expanded management and restoration of traditional field boundaries across the region, and particularly in those ESAs where agreements come to an end and farmers then choose not to enter HLS;

- ensuring appropriate mechanisms to encourage non-farming land holders with important wildlife or heritage assets on their holdings to manage these sensitively and for long term benefit.
- Trying to establish more streamlined and joined up local delivery mechanisms for all parts of the programme, able to draw down funds from both the main funding sources (NE and SWRDA). This might involve identifying appropriate first stop shops at sub-regional level across the region, and seeking co-location of the main funding streams, through these.
- Linking farm and non-farm business support services and approaches in local areas – assisting reconnection between these different groups to help develop innovative, value-added approaches to rural development and multi-sectoral planning of future strategies for rural viability, to maximise the effectiveness and value for money of ERDP alongside funds from other EU and UK sources.
- There is a need for the programme to place a new emphasis upon achieving real accessibility among target groups, particularly including those whom the current programmes have failed to reach. This will require a range of outreach and involvement activity, not just leaflets through doors, getting the potential users involved in defining the frameworks through which money and other support can flow, rather than simply expecting them to jump through the hoops created by distant officials.
- Ensuring that regional and sub-regional delivery bodies for all aspects of the programme are
 - representative of the communities that they serve,
 - transparent in their dealings and deliberations,
 - balanced and rigorous in their pursuit of additionality from public funds, and
 - able to promote a better quality of life for rural people of all sectors and groups.

This probably means offering an important element of funding to support capacity building and skills acquisition among local partnerships and community groups (including farmer and non-farmer members), at least in the early years of the programme.
- Designing funding mechanisms and providing incentives in the programme for creating synergies between the axes and their goals, making and maintaining links between these across the region. This should promote conflict resolution, foster mutual benefits for different stakeholder interests, help to identify new market opportunities and establish new supply chains, and strengthen local autonomy and pride in place.

In all these activities the South West of England, with its rich and diverse cultural, natural and economic characteristics, embracing coast, floodplain and hills, fishing and farming, industrial and linguistic distinctiveness and a clear independence of perspective from the government machinery in Whitehall, should be well placed to make progress.