



RHONDDA CYNON TAF

**RECORD OF DELEGATED OFFICER DECISION**

**SUBJECT:**


Common Agricultural Policy Reform: Wales Rural Development Programme 2014-2020 Final Proposals.

**PURPOSE OF ATTACHED REPORT:**

To consider the Welsh Government's final proposals for the delivery of the Wales Rural Development Programme (RDP) for the period 2014 to 2020 and to agree the response to the consultation.

**DELEGATED DECISION:**

It is agreed that the Council response attached at Appendix 1 is submitted to Welsh Government.

 <b>Chief Officer Signature</b>	STEVE MELLITT <b>Print Name</b>	9/4/14. <b>Date</b>
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The decision is taken in accordance with Section 15 of the Local Government Act, 2000 (Executive Functions) and in the terms set out in Section 5 of Part 3 of the Council's Constitution

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9.4.14

CONSULTEE CABINET MEMBER SIGNATURE

DATE

OFFICER CONSULTEE SIGNATURE

DATE

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**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2013 – 2014  
REPORT TO ACCOMPANY DECISION OF  
CHIEF EXECUTIVE**

**Part 1**

(Non-Confidential)

**COMMON AGRICULTURAL POLICY  
REFORM: WALES RURAL  
DEVELOPMENT PROGRAMME 2014-  
2020 FINAL PROPOSALS**

**COMMON AGRICULTURAL POLICY REFORM: WALES RURAL  
DEVELOPMENT PROGRAMME 2014-2020 FINAL PROPOSALS**

**1. PURPOSE OF THE REPORT**

- 1.1 This report provides details on the Welsh Government's final proposals for the delivery of the Wales Rural Development Programme (RDP) for the period 2014 to 2020. Welsh Government has requested that any final comments are submitted by 14 April 2014. A proposed response is attached at Appendix 1.
- 1.2 It highlights the opportunities available to support structural improvement to the agriculture industry and the wider rural economy across Wales and presents details on how Rhondda Cynon Taf can participate in the programme.

**2. RECOMMENDATIONS**

It is recommended that:

- 2.1 The opportunities for the wider rural economy offered by the Wales Rural Development Programme 2014 to 2020 are noted.
- 2.2 The Council response attached at Appendix 1 is submitted to Welsh Government by the deadline of 14 April 2014.

### **3. BACKGROUND**

- 3.1 The RDP is a seven year programme sponsored by the European Union via the European Agricultural Fund for Rural Development (EAFRD), which aims to improve competitiveness in the agriculture and forestry sector; safeguard and enhance the rural environment and foster competitive and sustainable rural businesses and thriving local communities.
- 3.2 The Welsh Government launched its consultation on the 'Common Agricultural Policy Reform: Rural Development Plan 2014-2020: Next Steps' on 31 January 2013. At this time there was still uncertainty regarding the eligibility of areas to benefit and it was agreed by a Delegated Officer Decision dated 22 April 2013 that a further report on Rhondda Cynon Taf's participation in the RDP 2014 to 2020 is presented once eligibility conditions have been clarified.

### **4. COMMON AGRICULTURAL POLICY REFORM: WALES RURAL DEVELOPMENT PROGRAMME 2014-2020 FINAL PROPOSALS**

- 4.1 The RDP seeks to address both the key policy objectives set at EU level via the Europe 2020 strategy and the principal Welsh Government strategies, most notably the Programme for Government.
- 4.2 It aims to improve the competitiveness of agriculture; ensure the sustainable management of natural resources and climate action; and achieve balanced development of rural economies and communities, including the creation and maintenance of employment.
- 4.3 The feedback received by Welsh Government from stakeholders in January 2013 supported the proposed interventions to support the Human and Social Capacity of Rural Wales, Investment Measures, Area-based Measures and Local Development including the LEADER approach.
- 4.4 The proposed interventions will focus on the following elements :
- Knowledge transfer and innovation that aims for a transformational effect on business skills.
  - Working alongside the Department for Economy, Science and Transport to boost grassroots capacity and confidence in entrepreneurship, including using LEADER to stimulate innovation and pilot new approaches, processes and products.
  - A continuing commitment to a broad range of sustainable land management practices, agri-environment-climate and other land based measures.

- A commitment to resource efficiency and renewable energy actions in rural settings to complement Structural Fund and domestic actions.
- Funding for actions to improve supply chains, with a focus on the Action Plan for Food and those supply chains needed to support diversification into energy, carbon and water management.
- Funding for actions to support business improvement and diversification propositions.
- Tackling poverty and providing support for community-led rural development projects.

4.5 The main stakeholder groups that will participate in RDP activity include:

- Farming
- Food (food supply chain)
- Forestry (forestry supply chain)
- Non-farming businesses (diversification of the rural economy eg. tourism)
- Community based interventions

4.6 The proposed interventions will be delivered via a combination of national, all Wales schemes, some innovative local activity to be funded via 'LEADER' and via a proposed new Rural Community Development Fund (RCDF).

4.7 LEADER is a method of mobilising and delivering rural development in local rural communities and is focussed on innovation, piloting of new approaches, networking and bottom-up community working.

4.8 The RCDF is a new grant fund that will be administered by Welsh Government and offered primarily to LEADER Local Action Groups and other community based organisations to improve the quality of life and tackle poverty in rural areas.

4.9 The total projected budget for the RDP for 2014 to 2020 is £953m across the programme period and the proposed interventions and split of funding is as follows:

<b>Proposed Interventions</b>	<b>Proposed allocation %</b>	<b>Proposed budget £</b>
<b>Human &amp; Social Capital Measures</b> Knowledge Transfer & Innovation Advisory Services Cooperation European Innovation Partnership	<b>11%</b>	<b>£105m</b>
<b>Investment Measures</b> Investments in Physical Assets Farm & Business Development Quality Schemes Risk Management Restoration of Agricultural Production Potential Restoration of Forestry Potential	<b>15%</b>	<b>£143m</b>
<b>Area Based Measures</b> Agri-Environment-Climate Organic Forestry Natura 2000 / Water Framework Directive	<b>60%</b>	<b>£572m</b>
<b>LEADER &amp; Local Development</b> LEADER Rural Community Development Fund	<b>10%</b>	<b>£95m</b>
<b>Technical Assistance</b>	<b>4%</b>	<b>£38m</b>
<b>Total Budget</b>		<b>£953m</b>

4.10 RDP activity will not be able to commence until the Programme is approved by the European Commission (EC). It is anticipated that the Welsh Government will submit the RDP to the EC in May/June with negotiation on the detail of the Programme being undertaken with the EC throughout the remainder of 2014. It is therefore anticipated that subject to the EC's approval of the RDP, January 2015 will be the start date for implementation of the RDP.

**Rhondda Cynon Taf County Borough Council**

**Response to the Welsh Government Consultation on the Rural Development Programme for Wales 2014-2020 : Final Proposals**

**Introduction**

Rhondda Cynon Taf County Borough Council welcomes the opportunity to comment on the Welsh Government's strategy and priorities for the delivery of the Wales Rural Development Programme (RDP) 2014 to 2020.

The new Structural Funds Programmes will be delivered in challenging economic conditions so it is vital to concentrate on activity that successfully contributes to sustainable economic growth and jobs across the whole of Wales.

The focus on increased integration between funds offer greater opportunities to ensure complementarity and added value, helping to achieve maximum impact from both European and domestic sources, and is therefore welcomed.

It is however important to focus on what has worked well during the current programmes, and what can be developed further. Ongoing dialogue between Welsh Government, and Local Authorities and their partners is essential to ensure how best to achieve meaningful transformational change in our rural communities.

**Rural Development Programme for Wales 2014-2020 : Final Proposals**

It is difficult to comment on the proposals set out for the RDP 2014 to 2020 as there is limited detail provided on how these will be delivered. Please note the following comments:

**Human and Social Capital – Agree**

The proposals set out for the support of further knowledge transfer measures and the aim to maximise the opportunities presented by the European Innovation Partnership, are supported.

This intervention should be available to a broad base of micro enterprises, social enterprises and SMEs and Welsh Government should consider the role that Local Action Groups may play in the delivery of this intervention.

**Investment Measures – Neither agree nor disagree**

Investment that is conditional upon training, skills match and forward-looking business plans that demonstrate the viability and long term sustainability of proposals, is supported.

Match funding requirements is an ongoing barrier to rural businesses and communities, and the use of a range of funding measures to maximise the impact of the RDP including the use of repayable loans and other financial instruments alongside grant schemes is supported.

Welsh Government should consider making this intervention available to a broad base of rural micro enterprises and SMEs and to ensure that sufficient support mechanisms are in place to support businesses through the application process, encouraging maximum take up of available resources.

### **Area Based Measures – Neither agree nor disagree**

Support targeted under these measures is welcomed although further detail is required on the delivery mechanisms and links to LAGs and LEADER activity.

### **LEADER and Local Development – Neither agree nor disagree**

The identified priorities for LEADER and local development support are welcomed but Welsh Government should increase the allocation for LEADER above the minimum 5% requirement to ensure maximum impact can be achieved from community led local development.

The introduction of a common Rural Community Development Fund (RCDF) being made available pan-Wales is supported but a centrally controlled fund may undermine true local leadership and the extensive local knowledge and expertise that have been developed during previous programmes. Opportunities for integration, added value and sustainability of interventions may be lost if the funding is not directed via the LAGs or if the LAGs are not an integral part of the process.

### **Distribution of Funding – Disagree**

The proposed allocation of £95 million for LEADER and Local Development is considerably lower than the budget allocated via LEADER and Axis 3 in the current programme.

The recommendation of the Rural Advisory Group that consideration should be given to increasing the allocation to LEADER above the basic 5% requirement to 7%, is supported. To complement this investment, Welsh Government should increase the allocation to the RCDF, perhaps by a decrease in the Area Based Measures proposed allocation of 60%.

The proposed allocation for Technical Assistance appears high in comparison to the proposed budgets for LEADER and RCDF. Using the budget to resource the development costs of new Local Development Strategies (LDSs) would be supported.