Government’s Response to Lord Haskins’ Recommendations and Implementation Plan

This annex sets out the new delivery arrangements that the Government will implement. It does so in the form of a response to the recommendations made by Lord Haskins in his *Rural Delivery Review* (November 2003). It provides the detail of what the Government will do, by when.

The Government’s policy objectives are set out in the Rural Strategy 2004. In designing the associated delivery arrangements, the Government’s guiding principles have been to achieve:

- better targeting of resources on the areas and people who need them most;
- better experience for customers;
- better value for money;
- better accountability and clarity of roles; and
- adaptability to future challenges, both known and unknown.

The major changes proposed, and the benefits they are intended to deliver, are summarised in Chapter 4 of the Strategy. The changes will be implemented as a phased programme from now to 2007, by which time (subject to legislation) all major changes will be substantially in place. Defra will start making improvements straight away, and expects to start seeing efficiency gains and a better experience for customers during 2005.

This implementation plan has been developed with the assistance of Defra’s policy and delivery partners and other stakeholders, in an inclusive and transparent manner. The Government Offices for the Regions (Government Offices), Regional Development Agencies (RDAs), Local Government Association, local authorities, the Rural Community Councils, as well as Defra’s own delivery organisations and a range of non-governmental organisations have been engaged in working through the many complex issues. The changes will be implemented through a change programme building on Office of Government Commerce best practice.

**Improving accountability**

The Government believes that clarity of roles and responsibilities is essential for the effective development of policy and delivery of services, and for holding policy-makers and delivery bodies to account. The role of Defra headquarters should be to develop policy and set a high-level framework for delivery. It should not engage directly in delivery itself.

**Recommendation 1: Defra’s Rural Policy Remit**

Defra should review its rural policy remit in order to ensure that it is consistently understood by all concerned, including those who deliver its policies.
The Government agrees.

- The Rural Strategy 2004 sets out the Government’s rural policy, informed by the wide-ranging review of the Rural White Paper published in January 2004. Defra will develop strong new partnership arrangements with delivery organisations to ensure it is understood and implemented effectively (see Recs. 2-8).

**Recommendation 2: Separation of Policy & Delivery**

Defra’s prime responsibility should be the development of policy, and it should arrange for the delivery of its policies through national, regional and local agencies. Policy and delivery functions should be managed separately so that accountability for policy and delivery is clearly defined.

The Government agrees. By April 2005, Defra will:

- assume responsibility for all rural and forestry policy development (see Recs. 9 and 18);
- move the Rural Development Service out of the policy core of Defra, providing it with greater autonomy and devolved authority for decision-making and delivery, as befits a distinct delivery organisation; and
- devolve regional decision-making on, and funding for, the delivery of rural economic and social regeneration to RDAs, working in close partnership with local authorities and others (see Recs. 9, 10 and 24).

By January 2007, subject to legislation, Defra will:

- formally establish an Integrated Agency as an independent statutory NDPB, with devolved responsibility for decision-making and delivery (see Rec 16).

By March 2008, Defra will:

- refocus and streamline the Defra HQ policy function through implementing its Delivery Strategy. This will ensure that policy-makers focus on high-level policy objectives and strategic performance management, but deliver through others. It will reduce the overall number of staff through efficiency savings and through the devolution of operational and delivery functions out of core Defra to delivery bodies.

**Recommendation 3: Relations with Delivery Bodies**

The separation of policy and delivery functions should oblige Defra to consult delivery organisations at the earliest stages in policy formulation and to ask the latter to put forward proposals for the effective delivery of policy. In this way delivery organisations will be more accountable for effective management of programmes, and there should be less duplication of existing regional and local schemes. Defra will continue to appoint members of the various boards and to hold them accountable for their performance.
The Government agrees. Defra Ministers will continue to make appointments to Boards and, by April 05, Defra will:

- agree and publish new or updated concordats or working agreements with all rural delivery organisations that include the requirement for policy makers to involve deliverers in the development of policies and give deliverers the freedom to design detailed delivery arrangements themselves; and
- ensure that governance arrangements provide a robust accountability framework.

**Recommendation 4: Delivery Training & Development for Policy Officials**

Defra policy officials should develop a good understanding of delivery issues through a programme of training and secondments to delivery organisations. An understanding of delivery issues must be given higher priority in the assessment of individual performance. Secondments and recruitment from delivery organisations should also be encouraged in order to improve mutual understanding.

The Government agrees. From April 2005, Defra will:

- introduce formal delivery awareness training for policy officials;
- review the Defra appraisal process for policy makers to ensure that delivery awareness and related skills feature more prominently; and
- increase secondments of policy officials to delivery bodies and vice versa.

**Recommendation 5: Target-Setting**

Deliverers should agree targets with Defra, working with the Treasury, rather than having unrealistic ones imposed on them from Whitehall. This would include Defra’s rural Public Service Agreement. In this way delivery organisations will accept greater ownership of these targets, which will be more achievable and less vulnerable to manipulation. There should be greater emphasis on setting rural targets that are linked to real outcomes rather than outputs (such as the number of grants processed).

The Government agrees with the principle that those responsible for delivery should be involved in helping to set outcome-focused targets. Defra will:

- continue to work with delivery organisations to agree outcome-focused targets for the SR2004 period (2005/6-2007/8);
- commit to working with delivery organisations in developing targets as part of future spending round negotiations; and
- continue to monitor, review and challenge delivery organisations’ corporate plans to ensure they are sufficiently focused on the outcomes they have been asked to deliver.
Recommendation 6: Resource Flexibility

Delivery organisations should have the maximum flexibility to allocate resources in the most effective ways, whilst keeping the necessary discipline over administrative costs.

The Government agrees. During 2005, Defra will:

- introduce governance frameworks that provide greater flexibility for Defra’s delivery organisations, underpinned by robust and transparent performance management; and
- work with its NDPBs to agree plans for the provision of back office functions on a corporate basis where this will maximise efficient use of administrative budgets and free up resources for the front line.

By January 2007, Defra will:

- negotiate for greater flexibility to be applied to the use of funds transferred from CAP subsidy payments (Pillar 1) to rural development and agri-environmental programmes (Pillar 2), building on the flexibility on use of receipts of the EU modulation system achieved in the 2003 negotiations.

Recommendation 7: Shared Targets

Defra should agree shared targets with other Government Departments and their delivery organisations in order to secure better delivery of its rural policy objectives. This will substantially strengthen Defra’s ability to influence outcomes.

The Government agrees that rural proofing of other Government Departments’ PSA targets is vital. From 2004, Defra will:

- work with other Government Departments to ensure that from April 2005 a rural marker is added to monitoring data to help assess rural impact, where this can be done without disproportionate cost or burden of data collection;
- work with other Government Departments to introduce regular reporting on progress towards PSA targets with a rural dimension;
- under the RDA tasking framework, reach agreement with RDAs on outcomes to be included in RDA corporate plans; and
- work with local authorities, through Government Offices, to help them develop second generation local Public Service Agreements that benefit local communities and support sustainable development.
Recommendation 8: Management Information

Defra should improve the quality of its management information in order to take better informed decisions and to control the administrative costs associated with the schemes and services that it funds.

The Government agrees. From 2005, Defra will:

- develop common repositories for land, livestock, customer, environment and rural information, to enhance the quality and accessibility of information in Defra and its delivery bodies, improve customer interaction with Defra, and allow greater control and manipulation of data;
- introduce ‘Genesis’, an IT-based system that will integrate information on the England Rural Development Programme (ERDP) thereby improving Defra’s strategic management capability and facilitating efficiency improvements.

Recommendation 9: Functions of the Countryside Agency

In pursuit of the objectives of separating policy from delivery and of devolving delivery, the functions of the Countryside Agency should be transferred to the appropriate specialist organisations. Thus:

- policy development (including the commissioning of pilots and demonstration projects), together with the promotion of rural proofing, would pass to Defra and the Government Offices;
- social and economic programmes would pass to regional and local networks of Regional Development Agencies (RDAs), local authorities and the voluntary and community sector;
- environmental, landscape, access and recreational programmes would pass to the new, integrated agency proposed below (see Rec. 16); and
- review of rural proofing, challenge and external advice would pass to a reformed Rural Affairs Forum for England (see below).

In the light of these changes the Countryside Agency would cease to be required as a separate organisation.

The Government agrees that policy-making should be the responsibility of core Defra, and that delivery-related functions of the Countryside Agency should be transferred to delivery bodies.

However, the Government believes that the role for a strong and independent Rural Advocate is as important now as ever, to advise on the issues affecting rural communities. The Government has therefore decided to reshape the Countryside Agency into a small, expert body to provide
strong and impartial advice to Government, and act as watchdog and advocate for rural people
and communities, especially those suffering disadvantage. This will be a new and distinctive role,
building on the successes of the Countryside Agency and of the Rural Advocate. The New
Countryside Agency will have a strong, focused and impartial voice, unfettered by delivery
responsibilities of its own but with a responsibility to monitor and report on the delivery of
others.

This decision obviates the need to reform the Rural Affairs Forum for England as suggested in this
recommendation; this would be to duplicate the role of the New Countryside Agency.

To enable the refocused New Countryside Agency to concentrate on its fresh and distinctive role,
by April 2005, Defra will:

- assume full responsibility for rural policy development;
- assume lead responsibility for encouraging policy-makers and delivery bodies to rural-proof
  policies, activities and funding programmes effectively;
- devolve resources associated with the Countryside Agency’s socio-economic activities to RDAs
  so that socio-economic interventions in rural areas are better mainstreamed, and need can be
  more effectively targeted;
- channel funding via Government Offices for the rural voluntary and community sector,
  including Rural Community Councils, to strengthen local capacity (see Rec.14);
- align the Countryside Agency’s landscape, access and recreational responsibilities with other
  parts of the future Integrated Agency, through close joint working between the three
  organisations (see Rec.16); and
- establish a New Countryside Agency, with a new name to be determined, initially as a distinct
  body within the Countryside Agency’s legal framework, to provide expert advice to
  Government and act as watchdog and advocate on behalf of rural people and communities,
  especially those suffering disadvantage.

In addition to establishing the New Countryside Agency as rural adviser, advocate and watchdog,
Defra will ensure Ministers continue to have a direct relationship with rural stakeholders, by:

- holding an annual rural conference to act as a sounding board for rural stakeholders from
  national, regional and local organisations; and
- putting greater emphasis on the voice of rural people based in the regions, through more
  regular direct meetings between Ministers and regional Forums and their Chairs (see Rec. 25).

Together these arrangements will build on the current Regional Rural Affairs Forums and subsume
the Rural Affairs Forum for England.

By 2007, subject to legislation, Defra will:

- formally establish the Countryside Agency’s landscape, access and recreational responsibilities
  within the new Integrated Agency; and
- formally establish the New Countryside Agency in its new form as a small expert advisory body.
Bringing delivery closer to the customer

In addition to rural proofing mainstream policies to ensure that rural people as a whole have fair access to high quality public services, the Government intends to use better evidence to target social exclusion and deprivation, and to tailor rural services to local customers. Socio-economic funding will be devolved to regional and local levels so that decisions can be taken closer to the point of need and mesh more effectively with other public initiatives and investment. The Government recognises that what is right for one part of England may not fit another; each region, through the leadership of its Government Office, will therefore be invited to bring forward its own proposals for partnership structures and processes that best enable it to meet local need and circumstance.

Recommendation 10: Role of Regional Development Agencies

Regional Development Agencies should play a key role in the devolution of Defra's rural economic and social agenda. They must therefore demonstrate, and where necessary develop, their capacity to contribute to sustainable development in addressing rural needs.

The Government agrees. By April 2005, Defra will:

- devolve regional decision-making on the delivery of rural economic and social regeneration to RDAs, working in close partnership with local authorities and others. Defra will expect the RDAs to ensure that the needs of rural people identified through regional prioritisation work are addressed in regional-level strategies and delivery plans, in active partnership with local government and other partners at the regional and sub-regional level, within an overall sustainable development framework;
- continue to engage proactively with RDAs with the aim of ensuring that rural regeneration, sustainable farming and food, and sustainable development goals are translated from the new tasking arrangements into RDA corporate plans; and
- as part of new tasking arrangements for RDAs, hold the RDAs accountable for delivery of its PSA targets on rural productivity and services and on sustainable development. Specific elements of this devolved approach include holding RDAs accountable for:
  - promoting sustainable development in their regions;
  - ensuring that actions on regional productivity help to reduce the gap in productivity between the least well performing quartile of rural areas and the median;
  - ensuring that their work contributes to delivering a customer-focused, competitive and sustainable farming and food industry; and
  - contributing to improving the accessibility of services for rural people.
- increase its contribution to the RDA Single Pot from £45.5m in 2004-5 to £72m, including the socio-economic funding currently disbursed by the Countryside Agency.
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Recommendation 11: Defra’s Relationship with RDAs

A concordat with Defra must be established as a first step towards making the Regional Development Agencies accountable for their part in achieving Defra’s policy objectives on rural sustainable development.

The Government agrees that a closer relationship is needed between Defra and RDAs, but believes that this can best be achieved within the Government-wide tasking framework and RDA corporate planning processes, rather than through a separate and potentially overlapping process (see Rec. 10).

Recommendation 12: Delivery of ERDP Project-based Schemes

The successors to the existing business and farm diversification schemes (the so-called ‘Project-Based Schemes’) that are administered by Defra’s Rural Development Service under the England Rural Development Programme (ERDP) should become the responsibility of Regional Development Agencies, which will arrange for their delivery.

The Government agrees that there is a strong logic behind integrating rural business support and farm diversification with RDAs’ wider economic development responsibilities. There is no clear benefit in transferring administration of ERDP project-based schemes away from the Rural Development Service before the end of the current ERDP in 2006, but Defra will invite RDAs to play a greater role in strategic management in the interim, in particular in the regional prioritisation, targeting and project appraisal for these funds. During 2004-06, Defra will:

- work with RDAs, the Rural Development Service and the Rural Payments Agency to seek to maximise RDA involvement in management and delivery of the existing project-based schemes for the remainder of the existing ERDP (to end-2006);
- work closely with RDAs when negotiating the successor to the EU Rural Development Regulation and in drawing up the successor to the ERDP;
- plan to devolve to the RDAs control of the regional use of EU-funded social and economic schemes under the EU Rural Development Regulation from 2007 when the new Regulation comes into force (subject to the outcome of negotiations in Brussels); and
- work with the RDAs, the Rural Payments Agency, and the European Commission on a progressive move towards more flexible arrangements for delivery of the funding.
Recommendation 13: Business Support & Advice

Regional Development Agencies should have the lead responsibility in co-ordinating public sector rural business support and advice. To that end they should take direct responsibility for Business Links. They should also take steps to improve the quality and consistency of business support and advisory services.

The Government agrees. The RDAs will assume responsibility for managing the Business Link network on 1 April 2005. Defra will work with DTI, the RDAs and others to ensure that the national network of advice and support provided through Business Links and other business support providers meets the needs of rural businesses. The aim is to make available to rural businessmen and women a quality ‘first port of call’ service that is tailored to their circumstances. In addition, Defra will:

- this year, put an extra £2 million into Business Links to improve support for economically lagging rural areas;
- in 2005, participate with the Small Business Service and the RDAs in a rural pilot to join up a wide range of services; and
- challenge business support providers to satisfy their rural customers that they are effective in meeting the specific needs of rural businesses.

Recommendation 14: Role of Local Authorities & Local Partnerships

Local authorities and local partnerships should assume the main responsibility for delivery of schemes and services to rural communities. They should be fully consulted by Defra and the Regional Development Agencies about any changes to policy and delivery arrangements and should be given the necessary flexibility to address local needs. The potential of Rural Community Councils as partners in community based delivery is underestimated and should be enhanced.

The Government agrees. By April 2005:

- the role of local authorities in the regional decision-making process will have been strengthened through the arrangements at regional level (see Recs. 10, 21 and 22);
- Government Offices will have facilitated work with sub-regional and local partners on a number of pathfinders. These will determine and test innovative mechanisms at sub-regional level to better target resources to deal with social and economic issues in rural areas, linking into associated countryside access and environmental issues. Local authorities will take a lead role in these pathfinder projects as a key deliverer of schemes and services to rural communities. The outcomes should feed into local Public Service Agreements and, perhaps, into Local Area Agreements; and
- Defra funding will be channelled via Government Offices to the rural voluntary and community sector, including Rural Community Councils, to strengthen local capacity (see Rec. 9).
Recommendation 15: Joint Local Public Service Agreements

As part of the next round of local public service agreements Defra, working with other government departments and the Local Government Association should agree joint Whitehall targets for the delivery of rural policies by local authorities.

The Government agrees. Defra will continue, as now, to:

- work with local authorities, through Government Offices, to help them develop second generation local Public Service Agreements that benefit local communities and support the delivery of sustainable development.

Integrated approach to sustainable land management

The Government places great importance on conserving and enhancing rural and urban environments for current and future generations. The Government will put in place new arrangements that allow a more integrated approach to the mutually reinforcing objectives of protecting and enhancing the resource of nature and of realising the social and economic benefits for people of so doing, including through access, recreation, interpretation, education and sustainable use. By rationalising the delivery landscape, Defra also intends to achieve both effectiveness and efficiency gains, freeing up resources for front-line delivery.

Recommendation 16: An Integrated Agency

The Government should establish an integrated agency to promote sustainable use of land and the natural environment. This is necessary in order to prepare for the expanding land management agenda and to improve co-ordination and service delivery to customers. This would be achieved through a merger of English Nature, Defra’s Rural Development Service and some functions of the Countryside Agency. Its remit should embrace biodiversity, historical landscape, natural landscape, natural resources, access and recreation.

The Government agrees and will immediately set work in train towards establishing an Integrated Agency bringing together English Nature, much of the work of the Rural Development Service and the landscape, access and recreation responsibilities of the Countryside Agency. In particular:

- a strategic group drawn from the Chairs of the above bodies, the Environment Agency and the Forestry Commission, has been set up to champion change;
- the constituent parts of the Integrated Agency will come together by April 2005 into a confederation of partners with a common overarching vision and purpose, its name to be determined;
- during the Integrated Agency’s formative stage, prior to primary legislation, the constituent organisations will work in close partnership, including through co-location, to begin to deliver the benefits of an integrated approach;
- Defra will publish a draft bill as an early step and will seek a legislative slot early in the next Parliament to establish the Integrated Agency formally;
subject to legislation, the Integrated Agency will be established in statute by 2007 as a non-departmental public body (NDPB); and

the Integrated Agency should be powerful, authoritative and independent, with a strong voice at national, regional and local level to help ensure that decisions and action are taken within a sustainable development context. It will provide expert advice to inform policy-making at national, EU and international level; deliver results through advice, incentives, regulation and enforcement; and undertake or commission research and monitoring to improve the evidence base for policy.

The Government agrees and intends to apply the principle equally to English Heritage. Defra will:

- work with the Environment Agency and English Heritage to agree concordats and other tools to underpin collaborative working between them and the Integrated Agency, and to promote synergies between them.

The Government agrees. By September 2004, the Government will:

- transfer relevant policy functions and resource from the Forestry Commission in England to Defra; and
- establish a small forestry policy team within Defra to allow the department to take a strategic and integrated approach to the development of land use policy.

The Government agrees. Defra will:

- work with the Forestry Commission in England and the Integrated Agency to identify opportunities for greater collaborative working; and
- assess the success of partnership working between the Forestry Commission in England and the Integrated Agency in the light of the initial phase of moving towards the Integrated Agency.
Recommendation 20: Levy-funded Organisations
Defra should seek opportunities to rationalise the various levy-funded organisations that it sponsors in respect of certain agricultural sectors for marketing, developmental and other purposes. There is scope to share resources (administrative, economic and research) between the various boards and to strengthen support for industry programmes if savings are realised through rationalisation.

The Government agrees. During 2004/5, Defra will:

- continue to work with the Agricultural and Horticultural Levy Boards Forum on how to rationalise and improve co-operation on cross-cutting and strategic issues in the short to medium term; and
- commission, with the Devolved Administrations, an independent, fundamental review of the levy-funded organisations, to report in 2005. Defra will conduct a wide consultation on proposals arising from the review to ensure that all stakeholders have the opportunity to contribute.

Improving co-ordination
The Government recognises the need for a more strategic, joined-up approach at regional and sub-regional level to help achieve economic productivity and social inclusion within a sustainable development framework. The Government Offices will have a leadership role in promoting partnership approaches that address cross-cutting issues with a customer focus, and creating effective linkage between social, economic and environmental priorities and actions, thereby helping to maximise the value and impact of public sector investment.

Recommendation 21: Regional Co-ordination & Monitoring of Delivery
The Government Offices should be given a stronger remit to promote co-ordination of and monitor rural delivery and to promote rural proofing on behalf of Defra. Regional Rural Priority Boards, chaired by Government Offices and including key regional and local bodies responsible for rural regeneration and service delivery, should be set up to provide strategic co-ordination and monitoring.

Recommendation 22: Joint Regional Delivery Plans
Delivery agencies should strengthen joint working through the development of joint regional delivery plans. These would include designated lead delivery partners, agreed joint targets, shared resources and clear accountability for delivery.
The Government agrees, although in line with the principles of devolution will invite each region to determine what structures will best meet their needs rather than impose a uniform solution across all regions. Defra will ask each Government Office to:

- broker and bring forward proposals for a regional framework for delivering rural policies by April 2005, working with regional and local partners. Key policy principles will be the adoption of mechanisms to ensure the arrangements:
  - operate within a sustainable development framework, for example through ‘fit for purpose’ reviews of strategies and delivery arrangements;
  - prioritise activities and funding;
  - involve strong input from delivery organisations (including those with an environmental remit) into the regional decision-making process;
  - ensure that rural customers also have a voice into the process;
  - are consistent with other regional strategies and that they are mutually reinforcing, with all regional strategies ‘rural-proofed’; and
  - streamline existing mechanisms not create new ones.
- participate in and, where necessary, broker regional inputs to sub-regional delivery pathfinder projects during 2004/05.

The overall aim is to ensure strengthened joint working at regional, sub-regional and local level to deliver Defra’s rural policy, in line with broader Government policy objectives in each region.

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**Recommendation 23: Defra’s Relationship with Government Offices**

Defra must consult earlier and more closely with the Government Offices to ensure more co-ordinated policy development and strategic planning at the national level and reduce the number of strategies that are handed down to the regions.

The Government agrees. Defra has significantly increased its capacity to work more closely with Government Offices and other regional and local partners through the creation of a new Local and Regional Government Division. The introduction of regional delivery frameworks for rural policies is also intended to reduce the need for separate strategies.

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**Recommendation 24: Role of Government Offices in Delivery**

The Government Offices should focus on their role as co-ordinators and monitors of programmes affecting rural areas and not be involved in direct delivery. They should disengage from their current role in the administration of EU Structural Funds if and when these are replaced by a national programme of regional regeneration, as the government has proposed.

The Government agrees that Government Offices should lead on strategic regional co-ordination and monitoring of delivery, but believes they also have a valuable ongoing role to play in helping to build capacity in the voluntary and community sector. Government Offices will:
• from 2005, assume a stronger role in co-ordinating and monitoring delivery of rural policies, and channel funds for rural social and community programmes; and

• from 2007, pass their existing role in the management of rural structural funds in Objective 1 regions to RDAs and other delivery organisations, if (as expected) rural structural funds are integrated within mainstream rural development programmes.

**Recommendation 25: Regional Rural Affairs Forums**

Regional Rural Affairs Forums (RRAFs), comprising representatives of rural customers and beneficiaries, should become the forums in which national and regional delivery of rural policies is reviewed and reported on. Their key duties would be:

- to highlight important issues and priorities for rural development and service delivery;
- to comment on the effectiveness of rural development and service delivery in their region and identify areas for improvement;
- to comment on the impact and effectiveness of existing policy developments and generate new ideas;
- to provide leadership to help drive rural development at regional and local level.

The RRAFs would receive Secretariat services from the proposed Rural Priority Boards Secretariat (see Rec.21)

The Government **agrees** that there should be a strong mechanism in every region for end customers to have a clear voice into the regional decision-making process. The Government believes that the Regional Rural Affairs Forums could provide such a strengthened and more important function, but does not wish to be prescriptive in determining the exact mechanism or shape of the rural customer Forum. The Government believes that each region should propose arrangements that will work best for it. Defra will:

- ask each region to specify, in its delivery framework for rural policies, how it will ensure the rural customer has a clear voice into the regional prioritisation process (this may involve further strengthening of the Regional Rural Affairs Forums, or through building on some similar institution, if shown to be better); and
- build close links between such customer forums and Ministers, with regional chairs of each forum meeting Ministers on a quarterly basis, including in the region when opportunities arise.

Secretariat functions will continue to be provided by Government Offices or another agreed body as part of each region's proposals on its arrangements for the delivery of rural policies.
Making things better for the customer

The Government believes that funding streams need to be simpler, more accessible to applicants, better targeted and better aligned to Government objectives. Defra needs to map funding to outcomes more effectively, to measure what does and does not work. In addition, incentives, regulation and other measures need to be better joined-up across the sustainable development framework at regional and sub-regional level. The Government will encourage greater partnership-working between organisations to co-ordinate business relationships with farmers and other rural businesses in terms of regulation, inspection, advice and grants, to minimise burdens and make it easier to access advice and support.

Recommendation 26: Co-ordination of Frontline Delivery & Best Practice

The Government Offices should work with regional and local organisations to develop a more co-ordinated approach to front line delivery. This should include spreading best practice between regions on integrated delivery and facilitation, recognising what is practical and affordable.

The Government agrees. During 2004/5, each Government Office will be asked to ensure that:

- the delivery framework for rural policies in their region embeds partnership approaches capable of tackling cross-cutting issues and creating joined-up solutions for customers (see Rec. 21 and 22); and
- such arrangements build on best practice in which lead delivery agents are identified to ensure that multiple agencies co-operate and provide a joined-up service to customers.

Defra will:

- work with the regions to ensure that effective mechanisms for updating and sharing best practice information are put in place.

Recommendation 27: Whole Farm Approach

Defra, as the lead body, should accelerate the development of a ‘whole farm’ approach that will ensure better co-ordination of government regulation and compliance, subsidy, advice and financial incentives linked to farm businesses. This would require:

- the development of an integrated rural database linked to land-based business;
- risk-based self-assessment backed up by audit;
- encouraging more rapid uptake of internet use by farmers and rural businesses; and
- the creation of a farm advisory service in the light of the recent settlement on CAP reform.
The Government agrees the principle of joining up public services to farm businesses. That is the purpose of the Whole Farm Approach, which aims to redesign Defra’s contacts with farmers – including on subsidies, regulation and advice – around on-farm activities, making the best use of information available to us and minimising bureaucracy and duplication. The Whole Farm Approach is an ambitious programme and the Government does not accept that it is possible to accelerate it further.

Defra will:

- pilot the whole farm appraisal in 2004, including an on-line internet version;
- press ahead with the introduction of the Whole Farm Approach by autumn 2005;
- conduct further examination of the data protection issues arising from increased data sharing;
- conduct further analysis of the possibility of using risk-based self assessment, particularly accreditation implications;
- seek to use the Whole Farm Approach as a vehicle for co-ordinating inspections and other regulatory activity; and
- establish requirements for a Farm Advisory System for launch in January 2007.

### Recommendation 28: Role of Local Authorities in Environmental Regulation

In view of the expanding environmental protection agenda, the Environment Agency should agree with local authorities a supplementary role on regulation and compliance. Local authorities should agree standards for delivery with the Agency and call in its support where the extent of a problem or the risks connected with it are beyond the authorities’ capacity to manage.

The Government agrees the principle that it should draw fully on the capacity of all delivery partners to deliver environmental policies to the customer in the most effective and smart way.

Defra will:

- seek to apply the most effective and co-ordinated procedures for the use of regulation, funding and advice, so as better to help customers meet their current and future environmental regulatory obligations; and
- concurrent with the cross-Governmental Hampton Review into the efficiency of regulatory inspection and enforcement, carry out a survey of the practical capacities and skills of relevant organisations in delivering co-ordinated environmental regulation. This will encompass both current and prospective environmental regulation, and will report in Spring 2005.
Recommendation 29: Role of Local Authorities in Farm Regulation and Advice
Local authorities should take the lead local role in co-ordinating general regulation and compliance advice on farm premises.

The Government agrees the principle that it should draw fully on the capacity of all delivery partners to deliver regulation and advice to the customer in the most effective and smart way.

Defra will:

- continue to engage delivery partners, including local authorities, in the Whole Farm Approach pilot (see Rec. 27). The Local Government Association will be invited to join the Whole Farm Approach Programme Board to strengthen further our joined-up approach to all interactions with farm businesses;
- establish effective but proportionate arrangements for cross compliance from January 2005 that meet all necessary EU requirements, while minimising burdens on farmers receiving CAP single farm payments through effective co-ordination of effort; and
- improve compliance advice through a Farm Advisory System from 2007, and arrange effective interim farm advisory services ahead of this.

Recommendation 30: Inspection Functions
Defra should rationalise its inspection functions, integrating them wherever possible with existing regulatory authorities to achieve administrative savings and avoid duplication of skills.

The Government agrees. In order to improve the customer experience of its inspectorates, and improve operational efficiency for the benefit of both customers and taxpayers, Defra will:

- take forward the Defra delivery strategy vigorously, moving operational and delivery functions out of core Defra by March 2008. Options for individual inspectorates will be developed during 2004/05; and
- specifically consider the future of the Dairy Hygiene Inspectorate in the context of the consultation process for the creation of the State Veterinary Service Executive Agency.

Recommendation 31: Review of Funding Streams and Schemes
Defra should review all rural funding streams and schemes, to achieve a more rational, transparent and comprehensible approach to the administration of financial incentives and to ensure that all new initiatives are consistent with Defra’s delivery strategy, add real value and do not duplicate.
Recommendation 32: Simplification of Procedural Rules
Defra should review and simplify the current procedural rules connected with grants to rural businesses and communities in order to provide greater discretion in the execution and targeting of grants in a user-friendly way, consistent with state aid rules.

The Government agrees. By April 2005, Defra will:

- begin the process of radically simplifying the current 100 or so schemes and replacing them with a simplified funding framework based around three major funding programmes;
- through this process, sweep away unnecessary rules and regulations in the current schemes;
- introduce a design guide to ensure that the system remains simplified in future and that separate schemes with separate rules are not re-created;
- continue work with DTI, the RDAs and others to ensure that the national network of advice and support provided through Business Links and other business support providers meets the needs of rural businesses, including by providing additional funding in 2004/05 (see Rec. 13); and
- provide information about the changes to Defra’s business support and funding through a single Defra helpline and user-friendly, web-based portal, which will be developed rapidly thereafter to provide a comprehensive information service.

By April 2007, Defra will:

- complete the process of simplification to achieve three major funding programmes;
- introduce simplified forms and administrative systems for the very small number of funding programmes thereafter; and
- establish a qualification standard for all customer-facing staff in the Defra family, supported by training and upgraded reference material.

Recommendation 33: Progress Reports
Defra should publish progress reports on the implementation of my (Lord Haskins‘) recommendations in the spring or summer of 2004, 2005, 2006 and 2007.

The Government agrees. Defra will:

- publish regular reports on progress towards modernising rural delivery on its website, www.defra.gov.uk.
- Conduct a post programme evaluation in 2007.