

# **The Common Agricultural Policy Reform Rural Development Plan 2014-2020: Next Steps**

## **Denbighshire County Council Response.**

### **Introduction**

- i. We greatly appreciate the opportunity to offer comments on the European Commission's proposed reforms to the Common Agricultural Policy (CAP) to the Welsh Government via this consultation document.
- ii. These comments were drawn up and are submitted by Denbighshire County Council. These comments also reflect and support a number of comments made by the Denbighshire Rural Development Plan Partnership, and Local Action Group.
- iii. We welcome the work of the Welsh Government to seek opinions through this consultation document. We have provided our response to the questions outlined within the consultation document below.

### **General Comments**

We would like to note that the Rural Development Plan (RDP) for 2014-2020 is vital for the future development of rural Wales. However, it should not be considered as a panacea for rural areas, as the RDP alone cannot answer the continuing market failure and structural decline of our rural economy. It is essential that continued Structural Fund investment, alongside RDP investment is realised in rural Wales – in order to truly have a transformational impact on the economic future of rural Wales.

We believe that the main priority for the future of rural Wales, is to develop the future sustainability and resilience of our rural communities by: Tackling the negative effects of peripherality by supporting innovative methods of maintaining and extending the provision of services, encouraging communities to take action for their own benefit, exploiting energy, low carbon and digital technology opportunities; and creating the right circumstances for businesses to thrive in rural communities by ensuring the we have the right infrastructure.

Through local partnership support, local authorities have played a central role in the successful delivery of the current RDP, in particular Axis 3 and 4. Without the financial support of local authorities in bank rolling, managing and delivering these Axes then the impact of these tools would be minimal. Therefore in terms of governance arrangements for the future RDP, we would stress that any governance arrangement should take into account of already existing structures and partnerships. The local Partnership and local area based strategies model has ensured local knowledge and skills have been harnessed through the programme.

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## **Analysis of Rural Wales**

### **1. Do you agree that the key issues for rural Wales have been identified in the SWOT and the Situational Analysis?**

1.1 On the whole, we would agree with the identified SWOT analysis, and feel it is a very thorough analysis with regards to rural concerns.

### **2. Do you feel that the whole of Wales should be defined as eligible for EAFRD support? To what extent should we target EAFRD resources on particular geographical areas?**

2.1 We feel strongly that in particular given the establishment of City Regions in Cardiff and Swansea Bay, and Newport as a 3<sup>rd</sup> region, not all of Wales should be deemed as eligible for EAFRD

2.2 We felt that a response here depended upon your perspective. We feel that (bearing point 2.1 above in mind) the current designation of rural is acceptable, but there is a need for a clear and consistent definition of rural and urban to be agreed.

2.3 In Denbighshire for example it was felt that Dyserth should be defined as rural (this is not currently the case).

2.4 The focus on urban/ city regions should not come at the detriment of rural areas, and the importance of urban-rural linkages must also be acknowledged so that rural areas benefit as much as possible from any prioritisation of these urban areas, and, crucially, do not lose out on any financial re-allocations from rural to urban areas.

## **Programme Intervention Logic**

### **3. Do you agree with the proposed alignment of opportunities to each of the European Commission's Priorities for rural Development?**

3.1 We feel that there should be some knowledge and input into Priorities 1- 5 being delivered through Welsh Government, and a need for cross compliance, reporting back and transparency. Wider stakeholders need to know what interventions are being delivered across all the rural priorities regardless of the delivery body thereby ensuring a fair process and avoidance of duplication.

- 3.2 It was also felt that Priority 5: 13 should read 'Facilitating the supply and use of **appropriate** renewable sources of energy, of by-products, wastes, residues and other non food raw material for purposes of the bio-economy.'

## **Proposed Interventions**

### **4. Do you agree with the proposed areas of support under the Competitiveness heading?**

- 4.1 We agree with the proposed intervention under this heading, as long as competitiveness didn't compromise quality and profitability for farmers. Would support be delivered centrally? We would wish to emphasise that the greatest benefit would be derived if these were delivered locally to meet local needs.

### **5. Do you agree with the proposed areas of support under the Environment heading?**

- 5.1 We feel that Priority 5: 8 should read 'Restoring, **conserving** (rather than preserving) and enhancing biodiversity, including in Natura 2000 areas and high nature value farming, and the state of European landscapes. Again we would emphasise that the greatest benefit would be derived if these could be delivered locally to meet local needs.

### **6. Do you agree with the proposed areas of support under the Community heading?**

- 6.1 We believe point 57 ICT Uptake and Usage (page 37), needs to be strengthened. It was felt that ICT was an important issue for people and businesses within the rural communities. As so many businesses and sectors e.g. tourism are becoming reliant on ICT there is a need for this to have a much higher profile and be a higher priority, especially within the rural areas. This should include the provision of quality broadband with better network speeds to meet the needs of both businesses and communities.
- 6.2 We strongly support section 60 Strategic Spaces (page 37), with regards to Asset Transfers and feel that this should be better supported.
- 6.3 We strongly support the inclusion of Community and Voluntary Transport and Access to Services (page 37) in rural areas, and would argue that there is considerable cross over of activity here. Residents in outlying villages are still not able to access basic services and it's becoming more expensive to live in these areas with rising cost of fuel. Which leads to less retention in young /local people and local skills, culture and knowledge is being lost in these areas.

6.4 With regards to Tourism 61 (page 38) we would urge WG to ensure that medium scale capital infrastructure investment is identified as a priority under this measure to ensure that rural tourism developments that would contribute to the delivery of Destination Management Plans are able to be supported. Strategic links to be forged with similarly interested parties and cross border working to maximise the benefit for those visiting the area.

6.5 There is no reference made to Micro Businesses within the list of activities. We feel this is a significant omission. Sustaining rural business ought to be a stand alone action under this heading

**7. What do you think are appropriate circumstances for the use of repayable loans grant funding?**

7.1 On the whole we feel that there is potential for Wales to make much better use of loans grant funding.

7.2 Ultimately we do not feel that loan financing should replace grant aid, but rather be run in parallel with it. Should loans financing be undertaken we would urge that they be developed early, be flexible with clear guidance and avoid duplication with existing programmes.

7.3 Concerns need to be addressed regarding the administration of such schemes; the term, monitoring and repayments (which could be after the end of the project timescale). Loans would need to be more targeted to sectors locally.

7.3 We feel models for project structure ought to be shared demonstrating greater collaboration with banks / local accountants. We would also expect to see a sliding scales and better rates for businesses applying for loans.

7.4 Loans and grants should be based on demand rather than based on measures such as tourism, business or diversification. (Currently a business grant project under measure 312 cannot support tourism businesses as they are covered within measure 313.

**8. What percentage of the EAFRD investment should be targeted at agri-environment activities and why?**

8.1 We feel that individual member states should set their own percentages based on needs of the state.

**LEADER**

**9. Do you agree that LEADER should be brought back to its original concept with the focus of support centred on innovation, piloting of new approaches, networking and bottom-up community working?**

9.1 We agree that LEADER should return to its original concept. We would argue that LEADER groups continue to network and undertake bottom-up community working however LEADER is an economic programme which has lost its focus on innovation. We would like to see a greater emphasis placed on innovation and job creation for LEADER activity within the next programmes.

9.2 We would argue strongly that the bureaucratic structure of the RDP under the current round of programmes has stymied innovation of projects, and we welcome the acknowledgement by WG that processes need to be simplified. We would welcome the greater integration of EU programmes and a single approach to the management, monitoring and auditing of EU programmes.

9.3 We feel strongly that LEADER should be given its own measures within the RDP in order to be truly innovative. Measures should encourage innovation, creativity and networking, address local needs and empower rural communities.

9.4 Support to LEADER from the EAFRD should cover all aspects of the preparation and implementation of local development strategies as well as the support of cooperation among territories and groups which carry out bottom-up and community-led local development in the region.

**10. With regards to the geographical application for LEADER for the 2014-2020 period which of the options presented would you support?**

10.1 Option 1 c)

10.2 We would also argue strongly that in terms of governance arrangements for the future RDP, we would stress that any governance arrangement should take into account of already existing LAG structures and partnerships. However we acknowledge the need to reduce administrative costs and can see merit and economies of scale being achieved through some activities being regionalised. We would stress that this should not mean a regionalisation of any LAG or RDP partnership, rather some of the administrative functions could cover more than one County Area. It should be noted that Cadwyn Clwyd LAG does already operate over 2 county areas.

10.3 We believe that in order to deliver the benefits of LEADER as an economic driver to rural communities that there should not be limitations (with the exceptions of City Regions see 2.1) placed upon the geographical coverage of LEADER or the Rural Development Plan

## **Sub Themes**

**11 Do you think that there are good grounds for an Uplands Sub-Theme? What economic arguments are there? What sort of intervention would be valuable?**

11.1 Yes, we feel there's very good grounds for an Upland Sub-theme.

11.2 We would however want to ensure LAG engaged in any Tourism and Community actions and Renewable Energy and Micro Enterprise project developed within this sub theme.

**12 Do you think there are good grounds for a Young People or Young Farmer sub-theme? Should the focus be on Young People in general or Young Farmers, and why? What sort of intervention would be valuable?**

12.1 Whilst we believe Young Farmers should be targeted, we feel that a wider focus on retention of our young people within rural communities should be the focus of this sub-theme. We would also argue strongly that support for young people should be across all RDP Priorities.

12.2 The issue is exacerbated by rural villages not being able to access basic services due to rising cost of living. This leads to less retention of young/local people and local skills, and a subsequent loss of culture and knowledge in these areas.

## **Equality**

**13. Do you think that treating equality as a cross cutting theme is adequate, or are there grounds for a specific intervention? What sort of intervention would be valuable and why?**

13.1 We feel that Equality should remain a Cross Cutting Theme, and that it is sufficiently important that all initiatives are required to address it as a theme.

## **Delivery Framework**

**14 Do you agree with the proposed delivery framework proposed by the Welsh Government in the implementation of the next RDP?**

- 14.1 We broadly welcome the need for RDP to be more focussed in its approach to interventions. But echo the need for the more streamlined approach outlined have enough flexibility to reflect needs on the ground
- 14.2 We would want further clarity of the proposed approach of beneficiaries establishing their need and then being guided through a business planning process and guided to the best fit. It is essential that this role is not centralised and that local support is provided. Given the community development focus of the programme local knowledge is essential in supporting potential applicants.
- 14.3 We would urge WG to present timings for this Business planning process. Experience under Structural Funds during the current programmes have seen projects take significant time to gain approval. We would suggest the need for agreed timescales for responding to questions/ enquiries from WG.

**15. How can we improve the alignment of the RDP with other funding sources and get maximum benefit?**

- 15.1 We would welcome a single website to encompass all the CSF Funds. But we would stress that it would need to be more than just a portal though - the CSF funds must be genuinely coordinated effectively with other funding streams and programmes to maximise the transformational effects of these funding streams in Wales.
- 15.2 DCC welcomes a stronger emphasis on e-cohesion and the ability of beneficiaries to submit all information by way of electronic data exchange. But, these simplification measures must be realised at an operational level in order to ensure that their impact is felt during the implementation of funds on the ground. Simplification in the past has in fact lead to increased bureaucracy at the implementation level.
- 15.3 We would also welcome greater integration of payment and audit systems. Regular audits of activity including procurement and publicity are needed. We would suggest that the current RDP programme has concentrated on auditing the defrayment of expenditure frequently at the expense of other processes. A great benefit to the alignment of Performance Indicators and the reporting system to capture these.
- 15.4 We would also emphasis the need for payments systems for RDP to be aligned with Structural Funds not Single Farm Payments.

**16. How might implementation of future RDP Programme be simplified and streamlined?**



- 16.1 The WG management of funds and processes and procedures needs to be simplified in order to make rural development more effective and less onerous, and focusing on outcomes as opposed to compliance.
- 16.2 Need for forward thinking at the beginning of the programme, get things in place prior to the start of the programme. It was strongly agreed that WG should not 'move goal post' during a programme/project lifecycle and request additional details and retrospective information not previously requested.
- 16.3 It was felt that there was a need for tighter formulas and guidance when providing targets and justifications for project proposals, and that this should be in place from the outset.
- 16.4 Need for definition clarification at the start of a programme and final versions of performance frameworks.

**17. Additional comments/ issue not addressed.**

- 17.1 In our opinion, the EAFRD has a key role to play, together with the Structural Funds, in ensuring a thriving and sustainable future for rural communities in Denbighshire; by supporting specific responses to the additional challenges that these areas face as a result of their peripherality and their dependence on a narrow range of sectors.
- 17.2 We believe that the main priority for the future of rural Wales, is to develop the future sustainability and resilience of our rural communities by: Tackling the negative effects of peripherality by supporting innovative methods of maintaining and extending the provision of services, encouraging communities to take action for their own benefit, exploiting energy, low carbon and digital technology opportunities; and creating the right circumstances for businesses to thrive in rural communities by ensuring the correct infrastructure.
- 17.3 Through local partnership support, local authorities have played a central role in the successful delivery of the current RDP, in particular Axis 3 and 4. Without the financial support of local authorities in bank rolling, managing and delivering these Axes then the impact of these tools would be minimal.
- 17.4 The role of the Wales Rural Network should be reviewed to provide better strategic/ focussed promotion of key successful projects across Wales and what has been achieved.