



House of Commons

Environment, Food and Rural
Affairs Committee

**The Government's
Rural Strategy
and the draft Natural
Environment and
Rural Communities Bill**

Fifth Report of Session 2004–2005

Volume I



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Affairs Committee

The Government's Rural Strategy and the draft Natural Environment and Rural Communities Bill

Fifth Report of Session 2004–2005

*Report, together with formal minutes and lists
of oral and written evidence*

*Ordered by The House of Commons
to be printed 16 March 2005*

HC 408-I
[Incorporating HC 83, Session 2004–05, and HC 1225-i & -ii, Session
2003–04]

Published on 24 March 2005
by authority of the House of Commons
London: The Stationery Office Limited
£0.00

Environment, Food and Rural Affairs Committee

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*These Members were nominated as Members of the Government's Rural Delivery Strategy Sub-Committee.

#These Members were nominated as Members of the Sub-Committee on the draft Natural Environment and Rural Communities Bill.

Paddy Tipping was the Chairman of both Sub-Committees

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Committee staff

The current staff of the Committee are Matthew Hamlyn (Clerk), Fiona McLean (Second Clerk), Dr Antonia James and Jonathan Little (Committee Specialists), Marek Kubala (Inquiry Manager), Andy Boyd (Committee Assistant) and Anne Woolhouse (Secretary)

Contacts

All correspondence should be addressed to the Clerk of the Environment, Food and Rural Affairs Committee, House of Commons, 7 Millbank, London SW1P 3JA. The telephone number for general enquiries is 020 7219 5774; the Committee's e-mail address is: efracom@parliament.uk.

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Summary

We broadly support the proposals for restructuring included in the Rural Strategy but the rationalisation process should not be a cover for cutting the budgets required for the bodies concerned to fulfil their tasks. It is inevitable that staff will be distracted by process issues during this kind of transition, and administrative upheaval can lead to substantive work being neglected. The Government has to demonstrate how the benefits of the proposed changes for the recipients of the services will outweigh such disruption.

The new Integrated Agency must have a strong independent voice and credibility among its stakeholders. We welcome the fact that the Countryside Agency is not to be abolished. The new Commission for Rural Communities must have sufficient resources, influence and independence to act as an effective champion of rural issues across the whole of Government. We would be concerned if the role of Rural Advocate were detached from the CRC.

The Government's approach to devolving rural delivery will only work if there is real empowerment at the local level. Defra must make clear what it expects local government's role to be in delivering rural services. The Regional Development Agencies will have a major role to play in the new arrangements for the delivery of rural economic policy; but to perform it successfully they will need to work in partnership with other bodies.

We remain to be convinced by Defra's claim to be streamlining over one hundred rural funding schemes. The three major funding programmes with which Defra proposes to replace them may still involve many specific funding schemes. Given the rapid pace of change in setting up the new arrangements, care must be taken to ensure that effective IT systems are in place in time.

The draft Natural Environment and Rural Communities Bill should be amended to make clearer the independence of the Integrated Agency and the Commission for Rural Communities. The Integrated Agency's environmental purpose should take precedence in case of irreconcilable conflict between its purposes, while the Agency should also have a clearer remit to promote sustainable development and socio-economic well-being. Defra must provide more clarity about the draft Bill's provisions on flexible delivery arrangements, especially the role of non-designated bodies in discharging Defra's functions. Enhanced Parliamentary scrutiny of orders reforming or abolishing the levy boards is needed, as well as statutory consultation on such proposals.

1 Introduction

Aims of the inquiry

1. The Government announced its Rural Strategy 2004 on 21 July 2004.¹ Later that day, we appointed a Sub-Committee, chaired by Mr Paddy Tipping, to undertake an inquiry into the Government's strategy. The Sub-Committee's terms of reference were to examine the Rural Strategy, with particular reference to:

- the proposal to establish an integrated agency
- the proposed streamlining of rural, agricultural and environmental funding schemes
- the delivery mechanisms for the Strategy, including the IT strategy that underpins it, its environmental impact and its lines of accountability, and
- the extent to which the Strategy incorporates the recommendations of Lord Haskins's rural delivery review.²

2. In the course of our inquiry, we received written memoranda from 30 organisations and individuals. The Sub-Committee took oral evidence on three occasions in November 2004, hearing from 14 different organisations, including: the Centre for Rural Economy, the Forestry Commission, the Environment Agency, the East of England Development Agency, Advantage West Midlands, the National Farmers' Union, the Country Land and Business Association, the Countryside Agency, English Nature, the Local Government Association, the Campaign to Protect Rural England, the Council for National Parks and the Wildlife Trusts. We took evidence from Lord Haskins at our second meeting and our sessions concluded with evidence from Lord Whitty, Minister for Farming, Food and Sustainable Energy, on 30 November 2004. We also discussed the Rural Strategy in our meeting with the Secretary of State for Environment, Food and Rural Affairs on 9 February 2005.³

3. In December 2004, the Sub-Committee conducted a visit to a rural area in Cambridgeshire to speak to key stakeholders, on the ground, about their experiences of rural delivery and the likely impact of planned changes to the way rural services are delivered.⁴ We are most grateful to all of those who gave us evidence, who met us on the visit to Cambridgeshire, or otherwise assisted us during the course of our inquiry.

¹ HC Deb, 21 July 2004, col 329

² "New inquiry into the Government's Rural Delivery Strategy", Environment, Food and Rural Affairs Committee press notice, Number 83, 23 July 2004

³ Environment, Food and Rural Affairs Committee, Minutes of Evidence and Memoranda, Wednesday 9 February 2005, *The Work of Defra*, HC 330-i, Qq 79–80

⁴ See note of visit in Annex.

The draft Natural Environment and Rural Communities Bill

4. The Government has made it clear from the start that implementing some elements of the Strategy would require primary legislation. On 10 February 2005, the Government published the draft Natural Environment and Rural Communities (NERC) Bill. We decided to re-appoint a Sub-Committee, again under Mr Tipping's chairmanship, to undertake a brief pre-legislative scrutiny of the draft Bill, concentrating on those provisions which take forward the Rural Strategy. The timetable for this exercise was tight, as we wished to complete it, and agree this report, before the Easter Recess, given the possibility of a dissolution of Parliament in April.

5. We took evidence on the draft Bill from some of the organisations which gave evidence to the earlier part of the inquiry. We also held an informal meeting with three members of the House of Lords with particular expertise in the issues raised by the draft Bill and the Government's Strategy: Lord Carter, Lord Cameron of Dillington and the Earl of Selborne. Our inquiry and report have benefited from their input. We are grateful to them, and to all those who submitted written and oral evidence on the draft Bill. It not only informed our analysis of the Bill, but added to our understanding of the way in which the Strategy is being implemented. We would especially like to thank those, including Defra, who submitted very useful written evidence at very short notice. Without their contribution it would have been difficult for us to complete this inquiry satisfactorily within the given timetable.

Background

Background to changes proposed in the Strategy

6. The Department for Environment, Food and Rural Affairs (Defra) was created in June 2001 through a merger that brought together responsibilities for the environment and agriculture, fisheries and food. Defra's creation meant that, for the first time, there was a single department with responsibility for taking forward the Government's rural policy agenda.⁵ In order to fulfil this commitment, the Department had to find ways to eliminate the overlap between the many bodies that deliver services in rural areas. A review of these delivery arrangements was agreed by the Prime Minister, the Secretary of State for Environment, Food and Rural Affairs and the Chancellor of the Exchequer, during the comprehensive spending review negotiations in 2002. In exchange, the Treasury agreed a commitment to fund the reforms proposed by the Curry Commission into the future of farming and food.⁶

7. Defra's rural policy remit built on the Government's vision of "a living, working, protected and vibrant countryside", as set out in the Rural White Paper of November 2000.⁷ A review of this Rural White Paper, along with an independent review of rural

⁵ "Working in partnerships to revive the rural economy", Department for Environment, Food and Rural Affairs news release 453/02, 8 November 2002

⁶ See: HM Treasury, *Opportunity and Security for all: Investing in an enterprising, fairer Britain, New Public Spending plans 2003–2006*, Cm 5570, July 2002, p 112; "Rural and green agencies face probe", *Financial Times*, 28 October 2002, p 2

⁷ Department of the Environment, Transport and the Regions, *Our Countryside: The future—A fair deal for rural England*, Cm 4909, November 2000, p 167

delivery carried out by Lord Haskins, were among the actions commissioned by Defra to improve the focus and delivery of rural policy.⁸

Lord Haskins's Rural Delivery Review

8. Lord Haskins published the report of his Rural Delivery Review in November 2003.⁹ The report advocated a separation of rural policy making and its delivery, a rationalisation of delivery bodies and the devolution of delivery. Its chapter on 'How rural delivery works today' described how Defra "directly funds (or part funds) the rural delivery activities of a number of national agencies including the Countryside Agency, English Nature, National Park Authorities and Broads Authority, British Waterways, the Rural Development Service, Regional Development Agencies and the Environment Agency".¹⁰ Five of Lord Haskins's 33 recommendations dealt directly with the development of a "more integrated approach to sustainable land management by rationalising agencies with overlapping agendas".¹¹

9. The Government made an initial response to the publication of the Rural Delivery Review, agreeing with Lord Haskins's analysis that the delivery structures were too confusing for customers and too bureaucratic and centralised to meet future challenges. The Government concluded that:

- its first priority was an immediate full review of rural funding schemes, to provide a clearer and simpler framework for funding that ensures funds are targeted at the achievement of outcomes, and to achieve a reduction in bureaucratic procedures;
- elements of the work done by English Nature, the Countryside Agency and the Rural Development Service should be brought together where those functions would enable a more cohesive approach to delivery, particularly in relation to biodiversity, natural resource protection, landscape, access and recreation and the agri-environment agenda;
- there was still a need for a much smaller, more focused Countryside Agency, to provide strong and impartial advice to Government.¹²

Government's Rural Strategy 2004

10. The Government's Rural Strategy 2004 was launched on 21 July 2004. In it, the Government set out three key priorities:

- social and economic regeneration—supporting enterprise across rural England, but targeting greater resources at areas of greatest need
- social justice for all—tackling social exclusion wherever it occurs and providing fair access to services and opportunities for all rural people

⁸ "A modern radical agenda for rural England: Government's Rural Strategy 2004", Department for Environment, Food and Rural Affairs news release 291/04, 21 July 2004

⁹ Christopher Haskins, *Rural Delivery Review*, 2003

¹⁰ Christopher Haskins, *Rural Delivery Review*, 2003, p 20

¹¹ *Ibid.*, p 112

¹² HC Deb, 11 November 2003, col 11WS

- enhancing the value of the countryside—protecting the natural environment for this and future generations.¹³

Outline of proposals

11. The key delivery reforms adopt and build upon the principles set out in Lord Haskins's review. Under the Strategy's proposed new delivery arrangements, responsibility for economic regeneration in rural areas will devolve to the Regional Development Agencies (RDAs). The present myriad funding streams will be streamlined into a new Agriculture and Food Industry Regeneration Programme, operating alongside a Rural Regeneration Funding Programme. Defra's role will be to set broad outcomes and targets and hold delivery agencies to account.

12. A new Integrated Agency is to be created which will assume responsibility for the management of environmental assets. The present range of agri-environment programmes will also be rationalised into a single scheme for Natural Resource Protection. Countryside access and recreation will become the responsibility of the new agency, but strategies for the promotion of tourism will reside with the RDAs.

13. The Strategy announced that the Countryside Agency would be refocused as a 'New Countryside Agency'—a small expert body providing strong and impartial advice to government and advocacy on behalf of rural people and businesses, especially those suffering disadvantage. It would lose its own delivery functions, but still monitor and report on progress in delivery. The decision was subsequently taken to call this new body the Commission for Rural Communities (CRC), the title by which it is now generally known and which is included in the draft Natural Environment and Rural Communities Bill. For ease of reference, we will generally use this new title in the remainder of our Report. The establishment of both the Integrated Agency and the new Commission require primary legislation.¹⁴

14. Under these new arrangements, at the regional level, the responsibilities for primary economic and environmental policy delivery in rural areas will be vested in separate organisations. Partnership working within a sustainable development framework, brokered by Government Offices for the Regions and co-ordinated via strengthened Regional Rural Affairs Forums, is expected to provide the necessary co-ordination.¹⁵ As part of the devolved approach of the Rural Strategy, it will be the RDAs that will be held accountable for delivery of Defra's Public Service Agreement (PSA) targets on rural productivity and services. (Lord Haskins identified five of Defra's PSA targets as having a "strong rural element".¹⁶) Defra will also put an additional £2 million into the Business Link network to improve support for economically lagging rural areas.¹⁷

¹³ Department for Environment, Food and Rural Affairs, *Rural Strategy 2004*, (London, 2004), p 5

¹⁴ *Ibid.*, pp 37,50,76–77

¹⁵ Ev 2. See Ev 134 for Defra's schematic diagram of how the elements of rural delivery fit together.

¹⁶ Christopher Haskins, *Rural Delivery Review*, 2003, p 18. The main rural PSA target is to "reduce the gap in productivity between the least well performing quartile of rural areas and the English median by 2008, demonstrating progress by 2006, and improve the accessibility of services for rural people." *Public service agreement 2005–2008*, Department for Environment, Food and Rural Affairs, July 2004, PSA 4

¹⁷ Department for Environment, Food and Rural Affairs, *Rural Strategy 2004*, (London, 2004), pp 16–17

2 Reactions to the Rural Strategy

15. Several witnesses to the Committee's inquiry criticised the Government's Rural Strategy. The Centre for Rural Economy (CRE) felt the Strategy represented "a partial and disappointing package of institutional reforms", which gave "the impression of 'work in progress'".¹⁸ The Countryside Agency said it was "not recognisable as a strategy in the way that the Cabinet Office recommends as good practice", it was "insufficiently clear what it is trying to achieve" and had "no measurable outcomes or priorities".¹⁹ English Nature also agreed that the Strategy seemed to be more about rearranging the institutional furniture than defining a vision.²⁰

16. CRE also argued that the proposed institutional change would be disruptive, hampering both practical delivery and policy development in the short term. It went on to question whether "the Modernising Rural Delivery process is potentially generating a lot of pain for insufficient real gain".²¹ James Derounian said the "stratagem is costly" and the benefits are "dubious-to-negligible".²² During the Sub-Committee's visit to Cambridgeshire, we were also reminded how important it was for Government to build on what works now and to avoid unnecessary disruption.

17. When addressing some of these criticisms, the Minister reassured us that Government was not changing the functions or objectives of what it was trying to do, but was "just trying to do it better, in a better and more integrated structure".²³ The Minister felt the benefits of the Strategy could be judged on three counts: whether the changes are managed effectively; on the response of the ultimate recipients (rural businesses and communities); and on certain criteria, in terms of addressing rural disadvantage, as covered by the existing PSA target.²⁴

18. When embarking on a programme of change, it is important not to discard elements of a system that are serving a useful purpose, without first ensuring the replacement structures will represent an improvement to the current situation. The Government has to demonstrate adequately how its proposals will add significant value to the processes of rural delivery. In its response to our report, Defra should spell out in detail how the benefits of the proposed changes for the recipients of the services will outweigh the potential disruption which such changes inevitably cause.

¹⁸ Ev 7

¹⁹ Ev 59

²⁰ Q 204

²¹ Ev 8

²² Ev 153

²³ Q 281

²⁴ Q 283

3 Incorporation of Lord Haskins's recommendations into the Government's Rural Strategy

19. The Government “accepted the principle or the detail of all but two of the recommendations in the Rural Delivery Review”.²⁵ The first was the abolition of the Countryside Agency, and the second was a recommendation that the Whole Farm Approach could be further accelerated.²⁶ Defra also cautioned against a literal interpretation of Lord Haskins's theme of a ‘separation’ between policy and delivery:

“The Government agrees that there should be clear roles and responsibilities, but its delivery strategy is based on policy and delivery being carried out in a close working partnership. This principle is a key underpinning theme of Rural Strategy 2004 and the delivery reforms”.²⁷

Lord Haskins sought to correct any misunderstanding of his position on this issue. He told us that his intention had been:

“to make sure that policy-makers, who do not have control over delivery, have to consult properly on the policy-making process with delivery people. That means the delivery people under my proposal would have a stronger influence in policy-making than they do at the present time where the whole thing is controlled by the policy-makers at the centre”.²⁸

Countryside Agency

20. It was the future of the Countryside Agency that represented the most significant divergence between the Government and Lord Haskins. Instead of completely abolishing the Countryside Agency, as Lord Haskins had recommended, the Government decided to retain it with a diminished role. When exploring this issue with the EFRA Committee in 2003, Lord Haskins noted that “the creation of Defra, in my view, made a lot of the Countryside Agency's role redundant and that is why I recommend that it should disappear altogether, because Defra should be doing this for itself”.²⁹ This potential for overlap was echoed in the conclusions of the EFRA Committee's inquiry on the Countryside Agency, in 2002. We suggested then that the creation of Defra would “to some extent supersede the role of the Countryside Agency as rural advocate, and as the provider of funding and advice to rural communities”.³⁰

²⁵ Ev 119

²⁶ Defra's detailed response to each of Lord Haskins's recommendations was set out in Annex C of the Rural Strategy.

²⁷ *Ibid.*

²⁸ Q 115

²⁹ Environment, Food and Rural Affairs Committee, Minutes of Evidence and Memoranda, Wednesday 17 December 2003, Session 2003–04, *Rural Delivery Review*, HC 148-i, Q 40

³⁰ Environment, Food and Rural Affairs Committee, Second Report of Session 2001–02, *The Countryside Agency*, HC 386, para 11

21. Lord Haskins's review had acknowledged the need for "an independent challenge on rural affairs policy and delivery", and suggested the National Rural Affairs Forum could take on this role.³¹ However, Defra explained that it thought it was "better to retain a small New Countryside Agency, with the Rural Advocate as Chair, than to create a 'central team' within the National Rural Affairs Forum".³² The Minister said:

The advice role of the Countryside Agency needed to be maintained somewhat at arm's length and on a more institutional basis than Haskins foresaw the role for the Forum. [...] That is why we have gone for the new Countryside Agency with a strong advice role both to Defra, to all the agencies within Defra and right across Whitehall.³³

22. Lord Haskins seemed content with the way Defra was handling this issue. He told us that, on balance, the Government was "probably right to go for the Countryside Agency", rather than the National Rural Affairs Forum, because it was "more structured to give the sort of policy advice that is necessary".³⁴ Defra's decision obviated the need to reform the National Rural Affairs Forum, as suggested in Lord Haskins's recommendation, as that would duplicate the role of the New Countryside Agency. On the basis of this decision, the National Rural Affairs Forum has now been stood down.³⁵

Forestry Commission

23. The Government's Rural Strategy envisages the following implications for the Forestry Commission:

- responsibility for strategic forestry policy in England will transfer to Defra so it will be able to consider the role of forestry as part of an integrated approach to delivering public benefits from land management
- Defra will transfer its forestry delivery responsibilities to the Forestry Commission. This will broaden the responsibilities of the Forestry Commission as the lead delivery body for forestry
- the Forestry Commission will become a close working partner of the new Integrated Agency providing distinct but complementary expert roles and will work with the Agency to modernise and streamline arrangements for more effective and efficient delivery of rural policy objectives.³⁶

This outcome was consistent with Lord Haskins's review, which said it was "logical to integrate or closely align the delivery functions (regulation, incentives, advice) of the Forestry Commission in England with those of the new agency".³⁷ Lord Haskins's evidence made clear that he would have preferred the Forestry Commission to be more integrated with the new Agency than it is.³⁸ He seemed content that the policy side of the

³¹ Christopher Haskins, *Rural Delivery Review*, 2003, p 48

³² Ev 118

³³ Q 299

³⁴ Q 122

³⁵ Q 315

³⁶ Ev 13

³⁷ Christopher Haskins, *Rural Delivery Review*, p 71, Recommendation 19

³⁸ Q 115

Forestry Commission has been brought into Defra, but, on the delivery side, he was “still not entirely clear why there is a special case for having the Forestry Commission as a separate entity” outside the new agency.³⁹ Some other witnesses also argued that the Forestry Commission should be integrated.⁴⁰ CRE suggested that it should be merged with other agencies into a single ‘Natural Resources Agency’.⁴¹

24. Even the Forestry Commission admitted that the question of whether to integrate the Forestry Commission into the new Agency was “quite finely balanced”.⁴² It stressed how important it was to “retain clarity, and also a degree of distinctiveness, so you do not lose the expertise and the skills which are around in the organisational structures which exist irrespective [...] of how you then move them around and reorganise them”.⁴³

25. Defra noted that “incorporating functions of the Forestry Commission—a body with responsibilities across Great Britain—would add a further level of complexity” to the proposed reorganisation.⁴⁴ The Minister felt that, irrespective of the fact that the Forestry Commission was a GB body, there was not “an overwhelming case for incorporating the Forestry Commission in the Integrated Agency and indeed there are significant downsides of so doing”.⁴⁵

26. Written evidence from the Forestry Commission highlighted areas with which it and the Integrated Agency could adopt a partnership approach.⁴⁶ This concept of partnership is echoed in the policy statement accompanying the draft Natural Environment and Rural Communities Bill, which refers to the Integrated Agency and the Forestry Commission working together “to ensure that their collective influence is brought to bear in a coherent and unified manner to make maximum impact in the advice they give to Government and others at national, regional and local level”.⁴⁷ The Minister noted that there would be scope for cross-delegation of the activities of the Forestry Commission and the Integrated Agency under the provisions of the draft Bill.⁴⁸

27. We recognise the complexity of addressing the future status of the Forestry Commission, since its operations cover Scotland and Wales, as well as England. However, it seems anomalous that the delivery functions of the Forestry Commission are not to be included in the remit of the Integrated Agency. If the territorial problem cannot be resolved easily, we recommend the closest possible working between the two organisations, including, where appropriate, shared targets. We welcome the fact that the draft Natural Environment and Rural Communities Bill envisages this kind of relationship.

³⁹ Q 121

⁴⁰ See: Ev 11 [Centre for Rural Economy]; Ev 172 [British Ecological Society]

⁴¹ Ev 11

⁴² Q 26

⁴³ *Ibid.*

⁴⁴ “Rural Delivery Review Frequently Asked Questions”, Defra website, November 2004, www.defra.gov.uk

⁴⁵ Qq 303–304

⁴⁶ Ev 15

⁴⁷ Department for Environment, Food and Rural Affairs, *Draft Natural Environment and Rural Communities Bill*, Cm 6460, February 2005, Policy Statement, p 5

⁴⁸ Q 583

4 New Integrated Agency

28. Lord Haskins's recommendation to establish an Integrated Agency, through the merger of English Nature, Defra's Rural Development Service and some functions of the Countryside Agency, was accepted by the Government. The Rural Strategy envisages the new Integrated Agency will be "a new large, powerful and independent statutory public body for protecting and enhancing the natural environment, biodiversity and landscape while realising the benefits for people, through improving access and recreation. [...] It will have around 2,300 staff, in national, regional and local teams, in due course in co-located offices, with common pay and terms and conditions of service".⁴⁹

Balancing priorities

Sustainable development remit

29. Defra's Rural Strategy states that "the Integrated Agency and its constituent parts, both from 1 April 2005 and when formally and legally established through statute, will have a remit to carry out its functions within a sustainable development context".⁵⁰ However, the Wildlife Trusts questioned this stipulation and suggested it would not be prudent "to include reference to sustainable development in any new law to establish the new Integrated Agency until these issues are clarified further".⁵¹ Similarly, the Campaign to Protect Rural England (CPRE) argued that it was not possible to attach a single common understanding of the term 'sustainable development', and, as such, "any legislation should avoid using it statutorily to prevent confusion and misdirection" of the Integrated Agency and its associated activities.⁵²

30. The draft NERC Bill provides more clarity as to the Government's intentions regarding the sustainable development remit of the Integrated Agency. Clause 2(1) of the draft Bill sets out that "the Agency's general purpose is to ensure that the natural environment is conserved, enhanced and managed for the benefit of present and future generations, thereby *contributing* to sustainable development".⁵³ That the agency will only be expected to contribute to sustainable development, rather than having a duty to deliver it *per se*, was thought by the Royal Society for the Protection of Birds (RSPB) to be correct. The RSPB felt that this wider responsibility should be "the sum result of overall government activity, at national, regional and local levels".⁵⁴

31. The Country Land and Business Association (CLA) argued that sustainable development relies on the economic viability of land-based rural businesses, and was therefore concerned that the draft Bill places no obligation on the IA to have regard to sustainable development as a whole. "On the contrary, the clause assumes that

⁴⁹ Department for Environment, Food and Rural Affairs, *Rural Strategy 2004 Fact Sheet: Integrated Agency in England*, (London, 2004), p 1

⁵⁰ Department for Environment, Food and Rural Affairs, *Rural Strategy 2004*, (London, 2004), p 36

⁵¹ Ev 106

⁵² Q 263

⁵³ Department for Environment, Food and Rural Affairs, *Draft Natural Environment and Rural Communities Bill*, Cm 6460, February 2005, p 2 [emphasis added]

⁵⁴ Appendix 3, para 2.1.1

management of the natural environment will itself support economic and social well being.” The CLA argued that the new Agency should have a specific purpose to contribute to the achievement of sustainable development.⁵⁵

Environmental remit

32. Witnesses differed over how the Integrated Agency should prioritise the environmental elements of its responsibilities. The Country Land and Business Association felt the Integrated Agency should have “an economic and social remit to underpin its environmental objective”, so that it would not be “identified very closely with environmental objectives only”. The CLA made similar points in evidence on the draft Bill.⁵⁶ The Countryside Agency also highlighted concerns “that the Integrated Agency will be perceived to be entirely an environmental agency”.⁵⁷ In evidence on the draft Bill, Countryside Agency witnesses seemed reasonably sanguine that environmental concerns would not overwhelm other issues such as access.⁵⁸

33. The opposite case was presented by CPRE and RSPB, who feared that if the objectives of the new agency were not prioritised, it could lead to irreconcilable conflict. Both organisations believed that, in the event of a conflict between the delivery of the different elements of the Integrated Agency’s core purpose, there ought to be a clause in the legislation which requires the agency to give priority to the natural environment, so giving effect to the ‘Sandford Principle’, originally established in the context of National Parks.⁵⁹ Section 11A of the National Parks and Access to the Countryside Act 1949 states:

In exercising or performing any functions in relation to, or so as to affect, land in a National Park, any relevant authority shall have regard to the purposes specified in subsection (1) of section five of this Act and, if it appears that there is a conflict between those purposes, shall attach greater weight to the purpose of conserving and enhancing the natural beauty, wildlife and cultural heritage of the area comprised in the National Park.

34. The Environment Agency (EA) commented on the “perceived risk that separation of funding and delivery into separate social/economic/environmental streams could mean any one body could focus only on one element”.⁶⁰ EA felt that that, in practice, this risk will be addressed by the Rural Strategy provision that all bodies take account of all elements to achieve sustainable development and work closely together. EA noted that, by its definition, “the Integrated Agency will focus on the biodiversity, landscape, geology and access but that does not mean it will not pay due regard to social and economic issues”.⁶¹

35. Clause 2 of the draft NERC Bill sets out the general purpose of the Integrated Agency. We discuss the details of this part of the draft Bill in Chapter 12 of our report.

⁵⁵ Appendix 11, paras 3, 8, 13

⁵⁶ Ev 40; and Qq 85, Appendix 11, paras 9-10

⁵⁷ Ev 59

⁵⁸ Qq 440-42

⁵⁹ Ev 98-99, Appendix 3, para 2.1.5

⁶⁰ Ev 26

⁶¹ *Ibid.*

Relationship between the Integrated Agency and the Environment Agency

36. Had the remit of the Rural Delivery Review not excluded consideration of the Environment Agency, then, as Lord Haskins confirmed, “one of the options might have been to give the Environment Agency total responsibility for the environmental agenda”.⁶² CRE felt it was an “over-simplification” for Lord Haskins to argue that the Environment Agency deals with regulation, while the new Agency delivers ‘incentive payments’.⁶³ CRE thought this could lead to “an institutionalised divide between one organisation that finances environmental ‘public goods’ and another that has to regulate environmental ‘bads’”.⁶⁴

37. CRE argued that, if its idea of a single ‘Natural Resources Agency’ was rejected, there should at least be “a clear framework for collaboration at the regional level between the Integrated Agency and the Environment Agency”.⁶⁵ The Minister broadly accepted this point, acknowledging that “there needs to be a very close co-operation between the two and clarity of who does what”.⁶⁶

38. Baroness Young of Old Scone, Chief Executive of the Environment Agency, admitted there was “potential for confusion” when seeking to differentiate between the roles of the Environment Agency and the new Integrated Agency.⁶⁷ She said it was “going to be a very rich relationship” and stressed the need for the boundaries “to be written down very carefully otherwise we could tread on each other’s corns”.⁶⁸ The Environment Agency reiterated this point in evidence on the draft Bill: the new Agency “must have clear and distinctive purposes which do not unnecessarily overlap with those of the Environment Agency, but which enable it to use its powers to work with us to protect and enhance the environment”.⁶⁹

39. However, English Nature played down the importance of this issue, reminding us that “these are not new relationships”.⁷⁰ It said that it was “essential that in any draft legislation there is clarity about the purpose, and functions [of the Integrated Agency], and that this is distinct from, but complementary to, the Environment Agency remit”.⁷¹ English Nature also told us about the “aim to revise and strengthen current memoranda of agreement to form the basis for co-operation”.⁷² The analysis carried out to help with this process had confirmed that there are “no significant clashes or duplications envisaged between the Integrated Agency and the Environment Agency. Nor are there significant

⁶² Q 135

⁶³ Ev 8; Q 135

⁶⁴ Ev 8

⁶⁵ Ev 11

⁶⁶ Q 297

⁶⁷ Q 37

⁶⁸ Qq 37–38

⁶⁹ Appendix 18 para 2.3; and Qq 353–56

⁷⁰ Q 213

⁷¹ Ev 85

⁷² *Ibid.*

gaps which require either organisation to take on substantial new functions or roles in order to deliver its contributions to natural environment protection".⁷³

Independence

40. The announcement that English Nature was to be subsumed into the new Integrated Agency attracted some criticism, with press reports speculating that it might be Government's "revenge for the watchdog's successful opposition to GM crops".⁷⁴ The environmental organisation, Friends of the Earth, was adamant that what was needed was "a wildlife watchdog, not a Government poodle". It felt that the "laws setting up the new body will be the real test of the Government's intentions".⁷⁵

41. Many witnesses welcomed the Secretary of State's confirmation of the independent status of the Integrated Agency as a non-departmental public body.⁷⁶ English Nature felt this assurance was absolutely critical and was keen to ensure the independence was not eroded in the process of drafting the legislation.⁷⁷ Evidence from the CPRE seemed to capture the importance witnesses attached to the independent status of the Integrated Agency. It said:

We wish the legislation to make it blindingly clear that we have a bone crackingly independent force ... that it has a constitution and a council which is not influenced beyond the expertise of those appointed to it: that it has a seamlessly good connection with its existing expertise and the different elements which are being brought together and that it should have an independence of research commissioning.⁷⁸

42. The Minister argued that the Integrated Agency would be independent, in the same way as the Environment Agency and English Nature. The Rural Development Service element of the new Agency would in fact be more independent than before. He stressed that the Agency would not be a body "which in detail would be interfered with by the Secretary of State".⁷⁹ Provisions of the draft NERC Bill allow the Secretary of State to give wide-ranging guidance and directions as to the exercise of the Integrated Agency's functions.⁸⁰ The draft Bill also gives the Secretary of State power to appoint any number of members to the Agency, after consulting the Chairman.⁸¹ These powers were seen by some witnesses as potentially compromising the agency's independence.⁸² We consider these aspects of the draft Bill in more detail in Chapter 12 of our Report.

43. We welcome Ministers' confirmation of the independent status of the Integrated Agency as a non-departmental public body, as in order for it to be successful, it is important that it has a strong independent voice and credibility among its

⁷³ *Ibid.*

⁷⁴ "Ministers retreat from plan to scrap countryside watchdogs", *Independent on Sunday*, 9 November 2003, p 16

⁷⁵ "England's wildlife watchdog threatened with extinction", *Friends of the Earth press release*, 21 July 2004

⁷⁶ HC Deb, 24 February 2004, col 11WS

⁷⁷ Q 202

⁷⁸ Q 267

⁷⁹ Qq 547-50

⁸⁰ Clauses 15 and 16

⁸¹ Schedule 1, para 3(1)

⁸² E.g. English Nature, Appendix 5, para 15, Wildlife Trusts, Appendix 17, para 18

stakeholders. The independence of the new Agency must be clearly enshrined in its establishing legislation. We examine how this can be reflected in the text of the draft Bill in Chapter 12 of our report.

Resources

44. English Nature stressed the need for the Integrated Agency to be “sufficiently resourced to continue the progress towards meeting a number of the Government’s environmental targets and objectives”.⁸³ It was concerned that the potential cost savings, which could be achieved as a consequence of the integration, should not come to be regarded as a principal driver of the change process. English Nature concluded by saying that “penny-pinching now would doom the future of a successful integrated agency”.⁸⁴ CPRE argued that the Agency needed to be “resourced satisfactorily to achieve all its statutory purposes”. In evidence on the draft Bill, English Nature told us that the budget for the Integrated Agency had not yet been set, but the plan was for budgets to be “carried through” from those parts of existing bodies that were being transferred to the new Agency. There were “clear opportunities for efficiency savings to be gained” from the merger of the different bodies, including a reduction in the number of senior and middle managers, back office efficiency gains and estate rationalisation. For this reason the agreed efficiency targets, though demanding, were achievable. Programme budgets were “not necessarily going to be squeezed”.⁸⁵

45. We agree with the Government that it should be possible to realise some efficiency savings when setting up the new Integrated Agency, as overheads from the different elements that make it up can be streamlined. However, the new Integrated Agency must have sufficient resources to carry out the tasks it has been set, and should not be expected to deliver the level of programmes it has inherited on a reduced programme budget. The Government should also publish a detailed breakdown of how it proposes to use the Integrated Agency’s establishment budget, taking into account its requirement to slim down Defra’s workforce and simultaneously fund the birth of the new Agency and associated developments.

⁸³ Ev 75

⁸⁴ Q 202

⁸⁵ Qq 486-93; Appendix 5(a), paras 5-6

5 The successor body to the Countryside Agency

Establishment

46. In line with the Rural Strategy, in April 2005 Defra will assume responsibility for all rural policy development and the Countryside Agency's rural regeneration work will be transferred to the Regional Development Agencies. Resources to support the rural voluntary and community sector will largely be administered by the Government Offices for the Regions. At the same time, the Countryside Agency's environmental, landscape, access and recreational division will come together with English Nature and the Rural Development Service, which will also be included in the future Integrated Agency.⁸⁶

47. The Commission for Rural Communities was established as a distinct body within the Countryside Agency's legal framework on 9 March 2005.⁸⁷ The Government's aim is to put the new Integrated Agency and the changes to the Countryside Agency on a statutory footing by 2007, subject to the parliamentary timetable for primary legislation.⁸⁸ The Minister noted that the Commission for Rural Communities would be an independent non-departmental public body and that its role would be "to assess whether government policy and government actions are making a real difference on the ground in rural areas and particularly to focus on disadvantage in rural areas".⁸⁹

Role

48. The role of the Commission for Rural Communities will be as advocate, expert adviser and independent watchdog:

- as rural advocate acting as a strong and independent voice for rural people and communities, especially those suffering disadvantage
- as expert adviser providing well-grounded, expert advice to government and others on the needs and well-being of rural communities and the countryside, from a sustainable development perspective
- as independent watchdog giving assurance to Parliament, government and people that policies and delivery on the ground are meeting needs and providing measurable benefits.⁹⁰

49. The Government's proposals for a successor to the Countryside Agency attracted less attention from witnesses than the plans for the Integrated Agency. It seems that, once the case for abolishing the Countryside Agency completely was rejected, there were fewer areas of concern regarding the future for its successor. However, some specific issues

⁸⁶ "Rural Delivery Review Frequently Asked Questions", Defra website, November 2004, www.defra.gov.uk

⁸⁷ Q 419

⁸⁸ Q 584

⁸⁹ Q 280

⁹⁰ Ev 58. See Ev 70 for diagram of the New Countryside Agency.

about how the independence of the successor body would be assured were raised in evidence on the draft NERC Bill. We address these in Chapter 12 below.

Resources

50. We also heard concerns about the funding of the new body. CRE stressed that “the Government must ensure that the new Countryside Agency is sufficiently resourced to carry out its policy advice, research, advocacy and rural proofing roles properly and on an England-wide basis”.⁹¹ In the Rural Strategy, the Government admitted that “the detailed size, design and organisation of the New Countryside Agency has yet to be determined”, but went on to suggest that it will have a budget of “something approaching £10 million”.⁹² The Countryside Agency was keen for the CRC to have “sufficient resources to be able to be seen as expert and authoritative”.⁹³

51. During our scrutiny of the draft NERC Bill, the Government was able to give us slightly more information about how the budget of the new body would be worked out. The Director of Defra's Modernising Rural Delivery Programme confirmed the £10 million figure, and agreed that the obvious starting point for the CRC's budget would be the existing budget for those activities being transferred to it. But she hoped that, in practice, budgets would be worked out from the bottom up: “these are the things that we think we need to deliver and this is what it will cost”. There would then be funding negotiations with Defra on this basis.⁹⁴

Rural proofing and the role of the Rural Advocate

52. Evidence noted the important role of the Countryside Agency, and its successor, in ensuring the ‘rural proofing’ of Government activity. The Countryside Agency defined ‘rural proofing’ as:

... thinking about whether a policy will have any significant differential impacts in rural areas. It aims to encourage government departments and others to ‘think rural’ by taking account of the characteristics and needs of the countryside when making and implementing policies.⁹⁵

53. The Countryside Agency thought that “the increased devolution of delivery and implementation of policies to regional and local level makes it even more important that rural proofing is embedded at *all* levels of government—national, regional and local”.⁹⁶ Defra noted that it takes the lead role in government on rural proofing policy, but added that the work of the Countryside Agency would be carried on by its successor, which would “monitor and challenge government at all levels, checking that rural proofing is being done, and is delivering results for rural communities and people”.⁹⁷

⁹¹ Ev 11

⁹² Department for Environment, Food and Rural Affairs, *Rural Strategy 2004*, pp 22–23

⁹³ Q 184

⁹⁴ Qq 577–78

⁹⁵ Ev 58 [footnote]

⁹⁶ Ev 58 [emphasis in original]

⁹⁷ “Rural Delivery Review Frequently Asked Questions”, Defra website, November 2004, www.defra.gov.uk

54. The Countryside Agency initially told us that the legislation establishing its successor “should provide a general duty on all government departments and public bodies to reflect rural equity in their relevant policies and activities. That will increase the ability to audit and rural-proof public bodies’ policy making—a core role of the New Countryside Agency”.⁹⁸ However, in his evidence on the draft NERC Bill, the Chairman of the Countryside Agency accepted that this might be difficult to enshrine in statute. He argued however that they had got “the next best thing”: assurances that the Government was committed to rural proofing and would continue to take it very seriously. An example of this was the fact that rural proofing was now included as part of the Regulatory Impact Assessment process.⁹⁹ The Local Government Association also made the point that rural proofing should apply to regional and local government, as well as central Government departments.¹⁰⁰ (Specific concerns about the wording of the relevant part of the draft Bill are addressed in Chapter 12 below.)

55. The Prime Minister has appointed the Chairman of the Countryside Agency as the Rural Advocate. The draft Bill does not make formal provision for the Chair of the new CRC to be the Rural Advocate. However, the Policy Statement accompanying the draft Bill does state that the Chair of the Commission will be the Rural Advocate. The Countryside Agency welcomed this “explicit commitment”.¹⁰¹ The LGA, on the other hand, felt that the role of the Rural Advocate was not stated as firmly as it might be.¹⁰²

56. The Minister reassured us that the new CRC would continue the rural-proofing function of the CA, and that in this respect nothing had changed. He agreed it would have a role in rural proofing across Government, outside the Defra remit as necessary.¹⁰³ He also explained that the role of Rural Advocate was not a statutory function, and for this reason was not mentioned in the draft NERC Bill. The intention “under the present Prime Minister” was that the Chair of the CRC would be designated as the Rural Advocate, but the Government had not wanted to “tie the hands of everybody” by putting this commitment on a more formal basis.¹⁰⁴

Definition of ‘rural’

57. This Committee has previously recommended that the Countryside Agency “make its highest priority to define what a ‘rural’ area is, and seek to ensure that other Departments and Agencies and other public bodies adopt the same definition”.¹⁰⁵ The Countryside Agency acknowledged our earlier interest in this area and referred us to the results of a collaborative exercise involving the Agency itself, the Office for National Statistics, Defra, the Office of the Deputy Prime Minister and the National Assembly for Wales.¹⁰⁶

⁹⁸ Ev 61; Appendix 12, para 15

⁹⁹ Qq 415-17, 426

¹⁰⁰ Q 448

¹⁰¹ Appendix 12, para 9

¹⁰² Q 448

¹⁰³ Qq 557-58

¹⁰⁴ Q 556

¹⁰⁵ Environment, Food and Rural Affairs Committee, Second Report of Session 2001–02, *The Countryside Agency*, HC 386, para 12

¹⁰⁶ The Countryside Agency, *The new definition of urban and rural areas of England and Wales*, CRN 86, September 2004

58. The new definition of urban and rural areas that resulted from the project was summarised as follows: “If you live in something which is a reasonably cohesive urban settlement of more than 10,000 population, you are not rural; if you live in other areas, you are generally classified as rural”.¹⁰⁷ The Countryside Agency felt the new rural definition was “a step forward in being able to assess the delivery of key services to rural areas and will prove useful in monitoring the effectiveness of rural proofing”.¹⁰⁸

59. We welcome the fact that the Countryside Agency is not to be abolished. There is a continuing need for an expert policy adviser and rural watchdog. This important role must be recognised by the Government and its activities funded accordingly. It is vital that the expertise developed by the Agency is not lost during the restructuring process. We expect the new Commission for Rural Communities to have sufficient resources, influence and independence to act as an effective champion of rural issues across the whole of Government. The CRC should seek to ensure the ‘rural proofing’ of all levels of Government which are engaged in rural delivery and highlight cases of both poor as well as good practice.

60. The role of Rural Advocate is a vital one and we welcome the commitment that the Chairman of the CRC will be the Rural Advocate. To be effective, the Rural Advocate needs proper back-up, and we would be very concerned at any suggestion that the role should be detached from the CRC.

6 Role of RDAs, Government Offices and local authorities

General trend of devolving the delivery of rural policies

61. In her statement to the House, the Secretary of State said that she would “devolve decision making and funding for economic regeneration to the regional development agencies, to allow decisions better to reflect the needs and pressures in each region”.¹⁰⁹ The Minister provided more detail on the Government’s intentions, when giving evidence. From April 2005, the RDAs

will be put into a position where they are delivering against a tasking framework which will ensure that the rural dimension of their work features high on their primarily economic agenda. We are also involved in devolving decisions and devolving funding closer to the community and to the customer. We have set up eight rural pathfinders last month which are all about delivering at the local level with local authorities in a lead role.¹¹⁰

¹⁰⁷ Q 193 [Mr Wakeford]

¹⁰⁸ Ev 71

¹⁰⁹ HC Deb, 21 July 2004, col 329

¹¹⁰ Q 280

Increased responsibilities for RDAs

62. The increased role for the RDAs, in terms of rural development, will include:

- the transfer of Countryside Agency funding for socio-economic programmes to the RDAs from April 2005, creating integrated rural funding programmes
- RDAs assuming full responsibility for managing the delivery of socio-economic programmes under the England Rural Development Programme from 2007 (RDAs will also have an increased management role, working with partners on the current schemes for this programme from April 2005 during this transition period)
- additional resources from the Countryside Agency increasing RDA expertise in innovation, countryside issues, research and rural development
- the development of an improved business support mechanism for companies and organisations in rural areas in line with the existing and emerging regionally-based business support provided by RDAs and partners
- RDAs working with partners at a regional and local level across the public, private, community and voluntary sectors to achieve better results from the programmes which benefit rural areas.¹¹¹

63. The Secretary of State also announced that she was “increasing the funding Defra provides to the RDAs’ single pot from £45 million to £72 million” in 2005-06.¹¹² However, the RDAs told us that only £21.3 million of this increase was allocated directly to fund the new responsibilities arising from the Rural Strategy.¹¹³

64. England’s RDAs seemed optimistic about their new role. They were “particularly welcoming of the devolution of delivery detailed in the Rural Strategy 2004” and were “excited by the increased opportunities, not only from the Defra additions to the single pot, but actually from the opportunities of other new responsibilities, new roles and functions”.¹¹⁴

65. However, Lord Haskins sounded a cautionary note on the way Defra seemed to be devolving responsibilities to the RDAs. He felt there was some “second-guessing going on”, with Defra attaching very prescriptive conditions to the extra money it was giving to the RDAs.¹¹⁵ He seemed to echo CRE’s concerns that the approach to decentralisation was in danger of being too much from the perspective of the centre.¹¹⁶ Lord Haskins concluded: “we have to judge the RDAs and the local authorities and the people on the

¹¹¹ “RDAs promise a more customer-focused approach to support for rural areas”, *England’s Regional Development Agencies press release*, 21 July 2004

¹¹² HC Deb, 21 July 2004, col 329

¹¹³ Q 66

¹¹⁴ Ev 26; Q 64

¹¹⁵ Q 128

¹¹⁶ Ev 8

ground on their own merits and people on the receiving end should say this is working or not working".¹¹⁷

66. During our visit to Cambridgeshire, we were told how important it was for the spending programme to be driven by regional rural priorities. Our interlocutors agreed that the current England Rural Development Programme had suffered through lack of flexibility, and they felt it was essential that any future programme was not strait-jacketed by central government in the same way.

67. We welcome the Government's desire to move away from centralised target-setting for those delivering services at the regional and local level. However, the Government's approach to devolving rural delivery will only work if there is real empowerment at the local level and this must be reflected in the way the priorities for local spending are determined: they should arise from local needs, locally understood. Actual responsibility must be handed down to regional and local government and agencies, away from the constraints of central government. Defra must make clear, in detail, exactly what it expects local government's role to be in the new architecture for delivering rural services.

Do the RDAs have too much of an urban focus?

68. The RDAs' suitability for taking on rural responsibilities under the Rural Strategy was criticised by some, on the grounds that not all RDAs are particularly sensitive to the needs of rural communities.¹¹⁸ However, the National Farmers' Union sought to counter the perception that the RDAs were too urban-focussed. It noted its own experience which "shows that there are in fact excellent examples of RDA rural-focused programmes and partnership working, much of which originated following the Foot and Mouth crisis".¹¹⁹

69. England's RDAs were also keen to dispel these fears, arguing that, during the five years since they were established, they had "been involved integrally in rural development".¹²⁰ Advantage West Midlands also described its "investments into the rural western sub-region of the West Midlands" as being "quite considerable".¹²¹ The RDAs did acknowledge, however, that there was more that they could do with respect to their environmental agenda.¹²² The Minister argued that although RDAs were often seen as "urban and big scale", this was not their remit. RDAs were getting a new focus on rural areas, and indeed extra resources for this task. RDAs would fulfil the commitments of the Countryside Agency in respect of the schemes for which they are taking over responsibility, but should also develop other small and large scale schemes which meet the criteria of the rural dimension of their work.¹²³

70. In response to the Sub-Committee's concerns about the ability of the RDAs to take on their new responsibilities by April 2005, the RDAs admitted that the first year was

¹¹⁷ Q 128

¹¹⁸ For example: Tim Yeo MP, *Farming Today*, BBC Radio 4, 22 July 2004

¹¹⁹ Ev 38

¹²⁰ Q 50

¹²¹ Q 51

¹²² Q 82

¹²³ Qq 559-60

unlikely to be “a finished project”.¹²⁴ The East of England Development Agency (EEDA) provided some further assurances on the timetable, when we visited its head office in December. EEDA told us then that some issues had been resolved which gave them added confidence that a robust plan would be in place by April 2005. In evidence to us on the draft Bill, EEDA, on behalf of England's RDAs, emphasized that RDAs were committed to ensuring that that legacy they inherited from the Countryside Agency was delivered. Furthermore, they would work in partnership with local authorities, including parish councils, and others, at regional and at sub-regional level, as well as engaging with local people and ensuring they were able to engage with the RDAs.¹²⁵

71. The Regional Development Agencies will have a major role to play in the new arrangements for the delivery of rural economic policy, but to perform this role successfully they will need to work in partnership with other bodies, including local government. We welcome the RDAs' commitment to doing so. We anticipate that, initially, the abilities of RDAs to embrace the changes and cope with their new responsibilities will vary across the country, but some variation in performance is only to be expected when setting people free from the centralised straitjacket. We saw a very good Regional Development Agency in operation, on our trip to the East of England, and it is important that the RDAs in the other regions are brought up to a similarly high standard as quickly as possible. They are receiving additional resources for their new rural-focused tasks, and they should be expected to use this new funding effectively.

Role of Government Offices

72. Lord Haskins suggested that the Government Offices for the Regions should be lead coordinators and monitors of rural delivery activity.¹²⁶ Defra states that “each Government Office for the Regions has been asked to take the lead in their region to develop arrangements to prioritise and co-ordinate activity, funding and delivery, leading to a plan that sets out the priorities for action”.¹²⁷ The Minister confirmed that the joined-up activity, at the regional level, would be focussed through ‘Regional Delivery Frameworks’, which would be “led by the Government Offices”.¹²⁸ The schematic diagram, provided by Defra, shows how these frameworks are intended to play a central role in bringing together the elements of the rural delivery process.¹²⁹ Defra goes on to note that “the regional rural delivery framework is a key element in [the] simplification of what is already a complex picture at the regional level”.¹³⁰

73. Despite Defra's explanation, England's RDAs still thought the role of the Government Offices was not yet clear.¹³¹ The Countryside Agency made a more general point when it suggested that “a great deal of work is needed to clarify the roles and responsibilities

¹²⁴ Q 67

¹²⁵ Qq 391-92

¹²⁶ Christopher Haskins, *Rural delivery review*, 2003, p 79

¹²⁷ Ev 118-119

¹²⁸ Q 280; see also para 14 above

¹²⁹ Ev 134

¹³⁰ Ev 136

¹³¹ Ev 28

between bodies, whether in the Defra family or wider—as seen from the perspective of rural people and businesses”.¹³² The RSPB, CPRE, Wildlife Trusts and the Woodland Trust thought that the Government Offices might be able to take on roles of coordinating delivery, and brokering conflict resolution between agencies, but only on condition that they acquired the capacity to undertake this role and improved their credibility in terms of their environmental remit.¹³³

74. With so many players involved in the delivery of the new arrangements, some form of mechanism needs to be established so that all their efforts can be properly coordinated. It is not obvious to us where the Government Offices for the Regions fit into the new arrangements. However, we note proposals from Defra and others that the Government Offices should play some kind of coordinating role, through the Regional Delivery Frameworks. We are attracted in principle to this approach, but would wish to be reassured that the Government Offices have the capacity, and the environmental credentials, to perform such a role effectively. We request that, in its response to our report, Defra explain in more detail how it sees the role of the Government Offices in coordinating the work of key players.

Responsibilities of local authorities

75. Lord Haskins stressed the important role he envisaged for local authorities.¹³⁴ The Rural Strategy also recognised “the crucial role played by local authorities as community leaders joining up services to deliver high quality services”. However, several witnesses suggested local authorities could have been given more responsibilities.¹³⁵ The Countryside Agency was “surprised and concerned” at the apparent lack of attention given to the role of local authorities and, in particular, at the lack of recognition of “their crucial role in planning and facilitating the delivery of rural services and in many cases their direct delivery role”.¹³⁶ CRE agreed that there was “very little in the Rural Strategy on what local authorities might do in terms of rural delivery”.¹³⁷ It felt that Defra needed to “improve its understanding of the role of local authorities in local rural development”, as well as establishing its credentials as a government department with a “legitimate interest in the work of local authorities”.¹³⁸

76. The Local Government Association (LGA) also felt there was insufficient involvement for local authorities in the Strategy. Councillor Alan Melton, Chairman of the LGA Rural Commission, said “we are on the ground, so to speak, we are local, we are accountable and we know our patches, and I would hope that in the future there will be a bigger role for the delivery of rural services via local government”.¹³⁹ He went on to tell us that “several initiatives” provided “an ideal opportunity to demonstrate to yourselves, to government, to regional RDAs, that we can deliver”.¹⁴⁰ In evidence to us on the draft Bill,

¹³² Ev 58

¹³³ Appendix 36, para 1.2

¹³⁴ Rural Delivery Review, 2003, p 87

¹³⁵ Department for Environment, Food and Rural Affairs, *Rural Strategy 2004*, p 20

¹³⁶ Ev 60

¹³⁷ Q 3

¹³⁸ Ev 11

¹³⁹ Q 227

¹⁴⁰ Q 229

LGA witnesses argued that the absence of references to local authorities in the draft Bill was less important than “working with the new agencies and with Defra to try and ensure that we do have a role later”.¹⁴¹ In discussing the draft Bill, the Minister made clear that the Government saw a role for local authorities as bodies to which functions of Defra, or other bodies, could be delegated by mutual consent.¹⁴²

The local delivery pathfinders

77. Following its commitment in the Rural Strategy, Defra announced seven local delivery pathfinders to test practical ways of improving delivery in rural areas.¹⁴³ Defra said the pathfinders would “bring together local authorities, regional development agencies, the voluntary sector, community councils, and others, to develop better mechanisms for delivering what is needed, where it is needed most”.¹⁴⁴

78. The LGA welcomed this initiative, but felt it important that “the pathfinders receive support at all levels and from a variety of partners, for example from Defra, the Government Offices, RDAs and RCCs (Rural Community Councils)”.¹⁴⁵ It also felt that Defra was more likely to trust the local authorities as a result of the pathfinder exercise. Councillor Whiteman of the LGA told us that “the whole idea of pathfinders [is] to see how new things can work, and I believe they will show that it can work”.¹⁴⁶ LGA witnesses gave an update on the progress of the pathfinder projects during evidence on the draft Bill.¹⁴⁷

79. However, England’s RDAs expressed some reservations about the pathfinders, since the results will not be available until after RDAs have commenced implementation of their additional socio-economic funding role, which starts in April 2005, and after partners have started to deliver on the new Regional Rural Delivery Frameworks. The RDAs also feel there is a concern that the pathfinders “might duplicate work and structures and misdirect limited resource[,] rather than adding value”.¹⁴⁸ The County Councils Network supported the pathfinders, and was concerned that transfer of functions to the RDAs in April 2005 appeared to pre-empt the results of the pathfinders.¹⁴⁹

Regulatory role for local authorities

80. We have noted the support Lord Haskins gave in his review for the role of local government. In particular, he argued that “the Environment Agency should agree with local authorities a supplementary role in regulation and compliance”.¹⁵⁰ He also felt that “local authorities should take the lead local role in co-ordinating general regulation and

¹⁴¹ Q 447

¹⁴² Q 538

¹⁴³ “Funding and decision-making at local level: Government names rural pathfinders”, Department for Environment, Food and Rural Affairs news release 398/04, 13 October 2004

¹⁴⁴ *Ibid.*

¹⁴⁵ Ev 88

¹⁴⁶ Q 248 [Cllr Whiteman]

¹⁴⁷ Q 382

¹⁴⁸ Ev 28

¹⁴⁹ Appendix 30

¹⁵⁰ *Rural Delivery Review*, p 87, Recommendation 28

compliance advice on farm premises".¹⁵¹ The LGA welcomed these recommendations, but was disappointed that "this was one of the areas which was least progressed during the development of the Strategy".¹⁵²

81. The Environment Agency highlighted what it said were some "important issues, which need to be taken into account when considering a possible role for local authorities in delivering environmental legislation".¹⁵³ It stressed that the delivery of environmental outcomes was dependent on "nationally consistent high standards" and observed that "environmental issues do not respect administrative boundaries".¹⁵⁴ The Environment Agency felt local authorities were operating at "too local a scale" to deal with the "catchment based objectives" that were required to meet the objective of the Water Framework Directive.¹⁵⁵

82. The Rural Strategy appears to provide only a modest role for local authorities. However, the thrust of the Strategy and the draft Natural Environment and Rural Communities Bill is that different local contexts will mean that different local bodies will be appropriate for delivering services. We welcome the Minister's confirmation that local authorities are included among the bodies to which functions may be delegated under the draft Bill. We believe that in many cases local authorities will be the best local delivery agents, and that the responsibilities of local authorities, including parish councils, should be increased where they are able to prove their capabilities. It is crucial that the outcome of the rural pathfinder exercises is available as soon as possible to contribute to the establishment of their enhanced role.

Planning issues

83. One of the main strands of the Rural Strategy is supporting enterprise across rural England and increasing resources for rural economic and social development.¹⁵⁶ Many of the bodies we have discussed in this chapter of our report are involved in this kind of activity. They are also involved with, and affected by, the planning process. **We welcome the Government's intention of promoting the regeneration of rural areas, but note that this may in some cases generate tensions with the way the planning system operates. We recommend that, in its response to our report, Defra sets out how it envisages the new arrangements for rural delivery will dovetail with the planning system. We further recommend that Defra consider reviewing, in conjunction with the Office of the Deputy Prime Minister, the way the planning system currently operates in rural England.**

¹⁵¹ *Ibid.*, p 90, Recommendation 29

¹⁵² Ev 89

¹⁵³ Ev 25

¹⁵⁴ Ev 18

¹⁵⁵ Ev 25

¹⁵⁶ *Rural Strategy 2004*, pp 5, 11

7 Streamlining of funding schemes

84. Currently, there are over 100 separate funding schemes for rural programmes. The Secretary of State told us that, in implementing Lord Haskins's review, the "absolute top priority" had to be "a revision of the rural funding programmes", not least because this could be done without primary legislation.¹⁵⁷ She said:

We are now working to deliver three rural funding streams in place of the previous ones and I have been absolutely determined and adamant with the department that I was not expecting to see three headlines over a continuing 75 schemes; I was expecting to see three sets of schemes.¹⁵⁸

85. The reduction from 100-plus schemes to just three streams is claimed by Defra as a major benefit of the reforms, and separate from the establishment of the new bodies.¹⁵⁹ However, CRE argue that it is not entirely clear from the Strategy whether there are to be three funding streams or four.¹⁶⁰ On page 48, in the summary of delivery reforms, it is proposed that Defra will reduce the current 100 or so rural funding streams to three major programmes: Rural Regeneration; Agriculture and Food Industry Regeneration; and Natural Resource Protection.¹⁶¹ However, on page 32, the strategy also discusses bringing social and community programmes together into a single funding programme, which will be administered through the Government Offices.¹⁶²

86. Lord Haskins also made the point that it might not be that easy to simplify the present structure: "I do not think it is quite three schemes. It is three categories of scheme".¹⁶³ He told us:

It sounds very logical and easy and absolutely right but everybody has got their own little pet scheme and whenever you touch one pet scheme, either a minister or an official or a recipient says no, and you do not dare touch that. They are all politically sensitive. In a way that is going to be the hardest job of all but we have got to try and do it.¹⁶⁴

87. In written evidence on the draft NERC Bill, Defra made clear there would be three new "funds". The three funds, and the relevant funding bodies, are set out in Table 1.

¹⁵⁷ Environment, Food and Rural Affairs Committee, Minutes of Evidence and Memoranda, Wednesday 9 February 2005, *The Work of Defra*, HC 330-i, Q 80

¹⁵⁸ *Ibid.*

¹⁵⁹ Q 574

¹⁶⁰ Ev 3

¹⁶¹ See also Ev 120.

¹⁶² *Rural Strategy 2004*, pp 48, 32

¹⁶³ Q 150

¹⁶⁴ *Ibid.*

Table 1: Funding framework from 2007

Fund	Agriculture and Food Industry Development	Sustainable Rural Communities	Natural Resource Protection
Funding body/bodies	Defra (<i>national funding</i>) RDAs (<i>regional funding</i>)	RDAs Government Offices (<i>regional community support</i>) Defra (<i>national community support</i>)	Integrated Agency National Parks Forestry Commission
Key customer groups	Farmers Rural Businesses Food industry Intermediaries	Rural businesses Rural communities	Land managers Farmers Intermediaries

Source: Defra, Appendix 26b, Section C, Figure 1

88. The Director of Defra's Modernising Rural Delivery programme explained that the intention behind the simplification of the funding streams was to move away from the current situation, "where there are a lot of small schemes each with their own set of rules, each with their own process that needs to be serviced", as servicing a great many separate processes takes up staff time and therefore costs. Simplification of funding streams in this way would provide "more bang for your buck".¹⁶⁵

89. We welcome, in principle, the proposal to reduce the number of funding streams, and to establish three major funding programmes, as this should aid administration. However, the real test will be whether the process of application and qualifying for funding is simplified for the eventual recipient. We remain to be convinced by Defra's claim to be streamlining over one hundred rural funding schemes. The three major funding programmes with which Defra proposes to replace them may still involve many specific funding schemes. We recommend that, in its response to our Report, Defra sets out in detail precisely how many new funding streams—as opposed to programmes—will be established under the new arrangements. In reducing the number of streams it will be necessary to avoid a 'beauty contest' where schemes are retained as a result of political sensitivities, rather than on more objective criteria.

¹⁶⁵ Qq 573-74

8 IT strategy

90. We have looked before at Defra's Information Technology (IT) projects, particularly during our inquiry into the Rural Payments Agency.¹⁶⁶ Since the Rural Strategy aims to improve the mechanisms by which rural development funds are paid, the IT systems underpinning the Strategy are clearly very important.

91. Underpinning the Strategy is the linking together of the IT system that delivers payments under Pillar I of the CAP (agricultural market measures and direct payments) with the IT system that will be responsible for delivering the rural development and agri-environmental schemes (Pillar II). IT did not form part of Lord Haskins's review. However, he described the challenge of linking together these systems as "frighteningly big".¹⁶⁷ He told us:

One thing that really shook me at the beginning of it was that Defra was on the way with quite a big investment in IT without having worked out what the policy was behind it that they were going to deliver. They were designing an IT system before support such as the Entry Level Scheme had been decided and the computers were being designed to deliver a scheme which had not been designed itself.¹⁶⁸

92. When launching the Rural Strategy, the Secretary of State assured the House that she was "very mindful of the need for IT to underpin successful delivery of services".¹⁶⁹ However, Defra considers that "the reforms are not heavily IT-dependent".¹⁷⁰ The Minister said that, while he could not give a "100% guarantee", Defra was "putting all the recommended positions in place", but "not rushing it so much that we are adopting a system before we have seen whether it can deliver".¹⁷¹

93. Defra's written evidence on the draft NERC Bill estimated the investment costs associated with new IT systems as being between £14 million and £16 million. The basis for the cost includes changes to activities such as finance/HR/payroll systems, e-mail/directory service, document and record management, and web/intranet, as well as an element for contingency. IT represents the single largest element of investment costs.¹⁷² Defra witnesses explained that it was only possible to give a range of costs at this stage as "we need to tease through precisely what they will include". They added that the introduction of "slicker" IT support should produce efficiency savings.¹⁷³

94. We have seen examples in the past of Defra IT schemes having problems, the latest manifestation of which is the delayed timetable for farmers to receive their first single

¹⁶⁶ Environment, Food and Rural Affairs Committee, Sixth Report of Session 2002–03, HC 382, *Rural Payments Agency*

¹⁶⁷ Q 133

¹⁶⁸ Q 140

¹⁶⁹ HC Deb, 21 July 2004, col 339

¹⁷⁰ Ev 115

¹⁷¹ Q 326

¹⁷² Appendix 26a, section 6

¹⁷³ Q 574

farm payments. Given the rapid pace of change in setting up the new arrangements, care must be taken to ensure that IT systems, which are vital in delivering funding and services to those who need them, are in place in time for the establishment of the new agencies. In its response to this Report, Defra should set out the timetable for making necessary changes to IT systems, with the dates by which key milestones have to be achieved. Defra should also publish on its departmental website a quarterly update on its progress towards achieving its IT milestones. In addition, the Department should consider appointing to its Board a non-executive member who has significant senior management experience of successfully introducing major IT change programmes in an organisation of an equivalent size to Defra.

9 Costs of making the changes

Costs and savings

95. The seventh of Lord Haskins's guiding principles for his review was that his proposals must deliver "better value for money" for taxpayers.¹⁷⁴ In his Review, Lord Haskins states that, although implementing his proposals would cost £107 million, cost savings—achieved through 'efficiency' savings—would be £29 million per year. These savings would be sufficient for the initial investment to be recouped within five years of the implementation, which Lord Haskins proposed would begin in April 2004.¹⁷⁵

96. Lord Haskins told us that his estimate of the costs of implementing his recommendations was purposely on the high side. He said "the actual cost of implementing this is going to be a lot less, and in a way that is a cost saving".¹⁷⁶ He also noted that the day-to-day operational costs were "quite difficult to assess" because "the rising agenda" made it hard to define a baseline for comparison.¹⁷⁷

97. Defra's own estimates of costs have developed over time. The Regulatory Impact Assessment, accompanying the Rural Strategy, contained no numerical estimate of the cost of implementing the Government's proposals.¹⁷⁸ However, in December 2004, Defra sent us a supplementary memorandum, following the Minister's oral evidence, which provided estimates of the implementation costs and downstream savings.¹⁷⁹ More detailed figures were included in Defra's submissions to our scrutiny of the draft NERC Bill.¹⁸⁰

98. Defra's latest estimate of the one-off implementation costs for setting up the new structures of the Modernising Rural Delivery (MRD) programme is £40 million.¹⁸¹ This includes expenditure on redundancy and relocation across the bodies and are expected by Defra to fall between 2004-05 and 2008-09. Annual efficiency savings are forecast to rise

¹⁷⁴ *Rural Delivery Review*, p 170

¹⁷⁵ *Rural Delivery Review*, pp 101, 103

¹⁷⁶ Q 156

¹⁷⁷ *Ibid.*

¹⁷⁸ Department for Environment, Food and Rural Affairs, *Final Regulatory Impact Assessment: Rural Strategy 2004 including Modernising Rural Delivery Programme*, (London, 2004)

¹⁷⁹ Ev 136

¹⁸⁰ Appendix 26a

¹⁸¹ Ev 136

over time: the MRD target is for annual savings to reach £13 million by 2007-08 and increase further to £21 million by 2009-10, although no organisation-by-organisation breakdown of the expected MRD savings of £21 million in 2009-10 has yet been provided. The recently refined estimate puts the total savings by 2007-08 at £13.8 million.¹⁸² Defra argues that the cumulative effect of these savings means that the MRD scheme should pay for itself within five years – that is, by 2009-10.¹⁸³ We analysed Defra's figures to try and establish a 'balance sheet' of expenditure against efficiency savings over time. The results are set out in Table 2.

Table 2: Estimated costs and savings associated with the Modernising Rural Delivery programme and the draft NERC Bill

<i>£million</i>	2005/06	2006/07	2007/08	2009/10
Annual savings				
Countryside Agency	2.4	2.8	4.8	na
Integrated Agency	1.0	3.0	6.5	na
NRRA DG ¹	2.0	2.5	2.5	na
Total estimated MRD savings	5.4	8.3	13.8	na
MRD target	1.1	7.7	13.0	21.0
One-off implementation costs				
Countryside Agency				
Launch		0.7		
Redundancy		2.6 to 3.3		
Relocation		1.1		
Integrated Agency ²		25.3 to 36.8		
Total estimated MRD costs		40.0		

Notes: na = not available.

¹Natural Resources and Rural Affairs Directorate General of Defra. Not covered by draft Bill, therefore not detailed in Regulatory Impact Assessment

²RIA also identifies £2 million ongoing cost associated with Integrated Agency

Source: Defra, *Ev p 136; Appendix 26(a)section1*

99. We asked Defra witnesses about the estimated £21 million savings by 2009-10, and in particular what percentage of the combined administration budget of the relevant bodies it would represent.¹⁸⁴ Defra told us that the total administration costs in 2003-04 relating to English Nature, the Rural Development Service and the Countryside Agency were about £136 million. Adding the relevant Defra administration costs, adjusted for organisational changes since 2003-04, gives total administration costs of about £155 million. At 2004-05 prices this amounts to £158m. Therefore the £13.8m and £21.0m savings by 2007-08 and 2009-10 represent approximately 9% and 13% of administration costs respectively. This can alternatively be expressed as a year on year average of 3% per annum up to 2007-08, and 2.5% between then and 2009-10.

¹⁸² Appendix 26a

¹⁸³ *Ibid*

¹⁸⁴ Q 580-82

Value for money

100. In terms of judging whether the proposals represent value for money, both Lord Haskins and the Minister agreed that that would depend on the response of the ultimate recipients of rural delivery.¹⁸⁵ Lord Haskins said:

The best value the Government can add to this delivery thing is to provide a better service. That is where the added value is and for people at the receiving end to say, 'Yes, I know what the Government is trying to do here and I know what my rights are and I know what my obligations are'.¹⁸⁶

101. **As Lord Haskins indicated, the existing duplication within the delivery structure must be reduced. We broadly support the Government's restructuring proposals in so far as they are designed to eliminate duplication of activity and generate efficiency savings by the agencies. But the rationalisation process should not be a cover for the cutting of actual budgets required for new and existing bodies to fulfil their tasks.**

102. **It is important to emphasize that the predicted efficiency savings must be realised, and progress towards meeting them should be monitored closely, as it will be by this Committee. To assist in this process, the Department's Annual Report should contain a detailed analysis of, and report on, progress towards achieving its cost savings targets. It has been difficult at this stage for us to reach a judgement on whether the costs involved in the proposed reorganisation are justified. This is only partly because of the complexity in clarifying the figures for the expected costs and savings, although we welcome the additional detailed analysis Defra has provided. Secondly, and more importantly, the financial balance sheet does not take account of costs, in the wider sense, to the organisations involved in the change process. It is inevitable that staff are distracted by process issues during this kind of transition, and administrative upheaval can lead to substantive work being neglected. We hope that the final outcomes of these reforms will outweigh the disruption caused in planning and implementing them. The best judges of this will be the recipients of rural services themselves.**

¹⁸⁵ Qq 157, 283

¹⁸⁶ Q 127

10 Timing issues

103. The Rural Development Regulation (EC Regulation 1257/1999) represents the main legal framework for rural development measures in the EU. The Regulation's current programme runs until the end of 2006 and negotiations are underway on its successor, which is due to come into effect in January 2007. Defra picked out this start date for the new Rural Development Programme as a "particular milestone" for implementing the changes proposed in its Rural Strategy.¹⁸⁷ The Minister told us that it would be "useful", but "not absolutely crucial", if the full implementation of the Strategy coincided with the start of the new EU Rural Development Programme.¹⁸⁸ Ministers have argued that the 'shadow' arrangements for new ways of working by Defra and its agencies, which are already being put in place, will allow much of the Strategy to be put into effect in advance of the draft Bill becoming law.¹⁸⁹

104. The Modernising Rural Delivery Programme has taken almost two and a half years to reach this stage. Lord Haskins's review of rural delivery arrangements was announced in November 2002, with a deadline for reporting to Ministers of mid-July 2003.¹⁹⁰ His report was dated October, but was actually published in November 2003. At the same time, the Secretary of State delivered the Government's initial response to Parliament, broadly supporting the report's recommendations.¹⁹¹ The Government's Rural Delivery Strategy was announced over eight months later, on 21 July 2004, and the draft NERC Bill was published in February 2005.

105. Given the tight timetable for implementing the proposed changes, any setback is unwelcome. England's RDAs listed numerous "challenges" that had arisen as a direct result of "the delayed announcement of the Government's Rural Strategy".¹⁹² In April 2004, during the hiatus between the publications of Lord Haskins's Review and the Rural Strategy, we wrote to Defra to ask what progress had been made in taking forward the Government's rural delivery agenda. The Minister for Rural Affairs and Local Environmental Quality, Rt Hon Alun Michael MP, replied in July 2004, explaining that "Modernising Rural Delivery is a very complex area, with many detailed issues to work through. It is important we get it right, and this inevitably takes some time".¹⁹³

106. The change process is now very advanced, with the publication of the draft NERC Bill, the creation of an 'embryo' CRC within the Countryside Agency and confederated working between the chairs of the various bodies concerned. English Nature was

¹⁸⁷ Ev 117

¹⁸⁸ Q 347

¹⁸⁹ Q 347; Environment, Food and Rural Affairs Committee, Minutes of Evidence and Memoranda, Wednesday 9 February 2005, *The Work of Defra*, HC 330-i, Q 80

¹⁹⁰ "Working in partnerships to revive the rural economy", Department for Environment, Food and Rural Affairs news release 453/02, 8 November 2002

¹⁹¹ HC Deb, 11 November 2003, col 11WS

¹⁹² Ev 28

¹⁹³ Ev 147

concerned that delays in moving ahead to the necessary primary legislation could lead to a loss of momentum in the process, and agreed that there could be a cost in delaying.¹⁹⁴

107. We sympathise with the Government's desire to implement the Rural Strategy in time for the start of the new EU Rural Development Programme in January 2007. Given this target, we were disappointed that the Government took so long to publish its Rural Strategy once Lord Haskins had produced his Rural Delivery Review. We are not persuaded by Defra's arguments as to why it took eight months to publish the Strategy. The delay has reduced the amount of time for consultation and agreement on the mechanics of implementation, and for getting the new administrative building blocks in place. However, now the reform process is so well advanced, the primary legislation needed to implement so much of it must not be unnecessarily delayed.

108. The combination of the delay in publishing the Strategy, and the January 2007 target date, has also squeezed the time available for considering the draft Bill, which we consider in Chapter 12.

11 General conclusion on the Strategy

109. In this report we have sought to analyse the main elements of the Government's Rural Strategy. However, the real measure of whether the reforms underlying the Rural Strategy and the draft Bill are working will be their impact on the environment and local rural communities, and those who are responsible for their services. In many parts of the country, as we saw in the East of England, people on the ground are getting on with the job of rural delivery and are achieving a great deal to improve the quality of rural life and to protect and enhance the natural environment. Central Government's activities should show the same level of commitment as that of the people at the cutting edge. The Government, and Defra in particular, must not let them down.

12 The draft Natural Environment and Rural Communities Bill

Background to the draft Bill

110. The Bill document is in three parts:

- A policy statement putting the draft Bill in context, explaining the policy background to its provisions and, in Part Three, inviting views on some possible further provisions
- The text of the draft Bill itself, with explanatory notes
- A draft Regulatory Impact Assessment which assesses the impact of measures in the draft Bill and also of those proposed in Part Three of the policy statement.

111. The Bill is divided into five Parts:

- Chapter 1 of Part 1 reshapes the organisational arrangements for delivering natural environment and rural affairs policy, establishing the Integrated Agency
- Chapter 2 of Part 1 establishes the Commission for Rural Communities
- Part 2 of the Bill reconstitutes the Joint Nature Conservation Committee to give it a UK-wide remit
- Part 3 is entitled 'Flexible administrative arrangements':

Chapter 1 of Part 3 allows for agreements for the exercise of functions of Ministers and certain other bodies by other bodies.

Chapter 2 of Part 3 will enable Ministers, subject to Parliament's approval of necessary secondary legislation, to abolish existing levy bodies or to create new bodies to help develop and promote agricultural and related industries

Chapter 3 provides for financial assistance by the Secretary of State

- Part 4 of the Bill renames and reconstitutes the Inland Waterways Amenity Advisory Council
- Part 5 deals with miscellaneous and supplementary issues such as granting powers to make further provision by way of both affirmative and negative resolution orders. This part also covers amendments to existing legislation and extent.

Scope of our pre-legislative scrutiny

112. Given our interest in the Rural Strategy, and even more importantly the tight timetable, our pre-legislative scrutiny focused on the text of the draft Bill itself, and especially on those aspects most directly concerned with taking forward the Rural

Strategy. We have not been able to devote time to the examination of some other issues raised in the text of the draft Bill, e.g. those relating to the Joint Nature Conservancy Committee and the Inland Waterways Amenity Advisory Council. Furthermore, given the pressure of time, we decided not to examine the provisions contained in Part Three of the policy statement which may be included in the final Bill when it is presented to Parliament. However, several submissions did comment on these provisions and we expect Defra to take them into account in reaching decisions on whether, and in what way, these proposals are taken forward.¹⁹⁵

113. In this chapter of our report, therefore, we examine and comment on each of the major provisions of the draft Bill about which we received evidence. Those are the two new bodies (Part 1) and flexible delivery arrangements, including the levy bodies (Part 3, Chapter 1). We have also examined the other principal order-making powers in the draft Bill and comment on them briefly.

114. Following standard practice in pre-legislative scrutiny, we have also examined the Regulatory Impact Assessment (RIA) that accompanies the draft Bill. The information on costs it contains, together with that included in Defra's supplementary evidence, has also informed earlier sections of this report.¹⁹⁶

Part 1, Chapter 1: the Integrated Agency

115. Clauses 1-16 and Schedule 1 of the draft Bill establish the 'Integrated Agency' (IA), which will take over the functions of English Nature, the Rural Development Service and elements of the Countryside Agency as "a more powerful champion of our environment". Defra states that the IA will be "a very powerful and independent organisation ... [and] more than the sum of its parts". The 'Integrated Agency' is a working title; the Government hopes that the name of the organisation will be included in the final Bill when it is presented to Parliament.¹⁹⁷

Clause 2: purposes

116. Clause 2 of the Bill sets out the Agency's general purpose as being "to ensure that the natural environment is conserved, enhanced and managed for the benefit of present and future generations, thereby contributing to sustainable development." Clause 2(2) states that this purpose includes:

- (a) promoting nature conservation and protecting biodiversity,
- (b) conserving and enhancing the English landscape,
- (c) securing the provision and improvement of facilities for the study, understanding and enjoyment of nature,

¹⁹⁵ Defra's written evidence includes a list of key points made in evidence and Defra's response to them. Appendix 26b section D

¹⁹⁶ See paras 95-102 above

¹⁹⁷ Policy statement, p 9

- (d) promoting access to the countryside and open spaces and encouraging open-air recreation, and
- (e) contributing in other ways to social and economic well-being through management of the natural environment.

117. There was broad agreement in the evidence on the wording of Clause 2(1), but strong and differing views were expressed on Clause 2(2). They reflected some of the arguments we heard during evidence on the Strategy itself.¹⁹⁸ The CPRE, RSPB, Wildlife Trusts and Council for National Parks (CNP) all wanted the “environmental” purposes to take precedence over the others in the event of conflict – thus applying the ‘Sandford’ principle, which is incorporated in legislation relating to the National Parks.¹⁹⁹ Witnesses supporting this approach emphasized that it would be a “last resort” option in the event of irreconcilable conflict between purposes.²⁰⁰

118. On the other hand, the Ramblers’ Association, the British Mountaineering Council and others argued strongly against nature conservation being given precedence.²⁰¹ English Nature argued that there was no need for any kind of hierarchy among the purposes set out in the Bill: “We acknowledge that there may occasionally be conflict between some of these purposes, [but] we do not believe it would be helpful to specifically prioritise them in statute”. It added that there were not that many conflicts in practice between conservation and recreation, and they could be sorted out on an *ad hoc* basis.²⁰² The CPRE, RSPB and others agreed that there was “little risk” of conflict”, but noted “this risk exists”.²⁰³

119. The Environment Agency, also noting that conflict between the purposes might be rare, felt that the Integrated Agency, rather than make choices between them, should be able to take them forward together, in the way that the three bodies coming together to form the IA already did. The Environment Agency argued that the purpose of conserving the natural environment in Clause 2(1) “sits above the more specific purposes and so should determine how [the IA] takes forward the more detailed roles and considers the interactions between them”. Nevertheless, in the “very exceptional circumstances” where the IA needed to make a judgement, the Sandford principle would provide a model which the IA could use “to help it achieve its overall role of environmental protection”.²⁰⁴

¹⁹⁸ See paras 32-34 above

¹⁹⁹ Appendix 3, para 2.1.5; Appendix 17 para 16; Appendix 23 para 4, Q 509

²⁰⁰ Appendix 36, section 2

²⁰¹ Appendix 8, para 14; Appendix 10, paras 9-10 [BMC]

²⁰² Appendix 5, para 6, Q 464

²⁰³ Appendix 36, section 2

²⁰⁴ Appendix 18a

120. The Minister stated that “there is always bound to be some conflict between the objectives of the agency” but he did not accept that “conservation should always override everything”.²⁰⁵ Defra further explained:

It would be inappropriate to automatically give primacy to biodiversity and landscape over access and recreation in rural and urban environments in general. There might well be instances where access and recreation considerations outweigh biodiversity and landscape ... We do not want to constrain the Agency's future decision making ability and its discretion, within its overall general purpose.²⁰⁶

121. We agree that conflicts between the purposes of the Integrated Agency listed in Clause 2(2) of the draft Bill should be rare, and that good management and cooperation between parties should allow them to be overcome. But we recommend that provision be made in the Bill for the ‘Sandford principle’ to apply in those exceptional circumstances where there is an irreconcilable conflict, to make clear that the aim of conserving and enhancing the natural environment takes precedence over other purposes.

Protecting the landscape

122. Clause 2(2)(b) requires the IA to “conserve and enhance” the English landscape, while Clause 2(2)(a) requires it to “protect” biodiversity. The RSPB, the Wildlife Trusts, the Woodland Trust and CPRE all argued for “protect” to be extended to the landscape as well. CPRE told us that it had received legal advice that ‘conserving’ was a significantly weaker term than ‘protecting’.²⁰⁷ Defra argued that the general purpose of ensuring that the natural environment is conserved, enhanced and managed “intrinsically includes the protection of the whole natural environment”, that “conserve and enhance” is the standard phrase used in legislation since the 1940s and “we are not changing that”. However, Defra did undertake to examine CPRE’s legal advice on this point.²⁰⁸

123. Defra argues, in respect of the reference to landscape in Clause 2(2)(b), that the Integrated Agency’s general purpose in Clause 2(1) of ensuring that the natural environment is conserved, enhanced and managed implicitly includes protecting the landscape. But the inclusion of the phrase “protecting biodiversity” in Clause 2(2)(a) could be seen as leaving landscape in an inferior position, as it is not explicitly “protected”. We therefore recommend that, for the avoidance of doubt, Clause 2(2)(b) be amended to include reference to the “protection” of the English landscape.

Open-air recreation

124. Clause 2(2)(d) refers to “encouraging open-air recreation”. The RSPB and the Wildlife Trusts argued that this should be amended to “quiet recreation”, to avoid the IA having a duty to encourage inappropriate forms of recreation that might damage the

²⁰⁵ Q 527

²⁰⁶ Appendix 26b, part D, section 6

²⁰⁷ Appendix 3, para 2.1.3; Appendix 17, para 13; Appendix 15, paras 2.1 and 2.2; Appendix 32, para 2a

²⁰⁸ Appendix 26b, part D, section 10

environment and reduce the ability of others to study, understand and enjoy nature.²⁰⁹ The Woodland Trust told us that there was a view that “leisure activities are somehow inherently benign and probably most of them are highly sustainable”, but some forms of recreation, such as four-by-four use and paintballing were “incompatible with the protection of a natural resource which is irreplaceable”. For this reason the Trust felt the definition of “open air recreation” in the draft Bill needed to be examined.²¹⁰

125. Defra argued that no such change was needed, on the grounds that enough statutory safeguards already applied, such as restricting access or controlling such activities. Defra stated that it would be wrong for the Bill to limit the activities the IA could consider appropriate, as the IA’s purpose should be “broad, enabling and flexible”.²¹¹

126. We note Defra’s argument that the Integrated Agency should have an ‘enabling’ purpose, but believe this could still be secured while ensuring that the IA does not run the risk of having to promote recreation of a kind that is contrary to the principles of sustainability. We therefore recommend that Clause (2)(2)(d) of the Bill be amended so that the relevant purpose would read: “promoting access to the countryside and open spaces and encouraging quiet open-air recreation.

Social and economic well-being

127. Clause 2(2)(e) refers to “social and economic well-being”, reflecting the comment in the policy statement that the IA will “seek to deliver economic and social benefits through its championing of the environment”.²¹² The NFU argued in that in many cases, the delivery of the IA’s environmental purposes “will greatly depend on a high degree of socio-economic well-being”, and was therefore concerned that the draft did not give enough prominence to the socio-economic purpose:

it is essential in our view that the IA should have a duty concerned with the promotion of socio-economic well-being, rather than the much more optional phraseology of just “contributing” to it.²¹³

As noted in paragraph 32 above, the CLA also wanted the IA to have an economic and social remit to underpin its environmental objective.²¹⁴

128. The LGA argued that the promotion of socio-economic well-being should be a function of the IA, and not just an objective to which it might contribute through its work. To achieve this, Clause 2(2)(e) could be revised to read “promoting and contributing to social and economic well-being as it relates to the other general purposes defined for the Agency.”²¹⁵ Defra argued that although the IA’s purpose required it to

²⁰⁹ Appendix 3, para 2.1.4; see also Wildlife Trusts, Appendix 17, para 15

²¹⁰ Q 508

²¹¹ Appendix 26b, part D, section 8

²¹² Policy statement, para 3b

²¹³ Appendix 19, para 5

²¹⁴ Ev 40

²¹⁵ Appendix 25, para 8

contribute to social and economic well-being, as an environmental body it could not be expected to deliver “wholly social and economic policies”.²¹⁶

129. We agree with Defra that the Integrated Agency is an environmental body. But part of its remit is to deliver socio-economic benefits through the discharging of its environmental role. We therefore recommend that Clause 2(2)(e) be amended so that the IA’s purposes include “promoting, and contributing in other ways to, social and economic well-being through management of the natural environment”. Any potential conflict between this purpose and the wider role of the Agency as a champion of the natural environment could be resolved through the application of the ‘Sandford principle’ recommended above.

Sustainable development

130. We have noted in paragraphs 29-31 above the discussion over the Integrated Agency’s sustainable development remit. The Country Land and Business Association (CLA) argued that the draft Bill was too weak on the new Agency’s role in relation to sustainable development and that the Agency should have a purpose to “promote sustainable development” or “to contribute to the achievement of sustainable development”, parallel to that of the RDAs. The CLA believed it was wrong that an environmental body did not have the same purpose regarding sustainable development as the RDAs.²¹⁷ The English Regions Network also argued for a stronger reference to sustainable development in the draft Bill.²¹⁸ But the Wildlife Trusts argued the IA “should not have a duty to deliver sustainable development *per se*; it should be up to Government as a whole to reconcile any differences”.²¹⁹

131. Defra explained that the IA’s purpose requires it to contribute to sustainable development, including social and economic well-being, while generating environmental outcomes. But it could not be expected to “integrate sustainable development considerations on matters which are outside its remit.”²²⁰ The Minister argued that the provisions in Clause 2 meant that socio-economic purposes should be pursued in a way that minimises damage to the other objectives, which would thus ensure sustainable development.²²¹

132. We note Defra’s argument that the Integrated Agency cannot be expected to integrate sustainable development considerations on matters outside its remit. But it does not follow from this that the IA has no role at all in promoting sustainable development. We therefore recommend that Clause 2(1) of the draft Bill be amended

²¹⁶ Appendix 26b, part D, section 9

²¹⁷ Appendix 11, paras 10, 13

²¹⁸ Appendix 14

²¹⁹ Appendix 17, para 9

²²⁰ Appendix 26b, part D, section 9

²²¹ Qq 526-27

so that the general purpose of the IA includes “to promote sustainable development”, rather than simply “contributing” to it through its work.

Future environmental change

133. Section 131(2) of the Environmental Protection Act 1990 states that the conservation agencies, including English Nature, should “take appropriate account of actual or possible ecological changes”. This requirement has been dropped from the general purposes of the Integrated Agency. English Nature regarded this as “odd” in the current circumstances of “a rapidly-changing global climate and increasing threats from human movement of invasive species.” EN suggested that this wording should be replicated in the draft Bill, perhaps with “environmental” replacing “ecological”.²²²

134. Defra’s argument against replicating this wording was threefold:

Carrying forward this clause would detract from the intention of the Integrated Agency having a clear and unified purpose;

The obligation still applies (via Clause 33 of the draft Bill) to the work of the Integrated Agency through the Joint Nature Conservation Committee, where clearly ecological change is very important from a national and international perspective;

The clause refers to the precautionary principle, respecting environmental limits, and taking a long-term perspective. These are all key principles of sustainable development, which are “embedded in today’s environmental management”, so there is now no need to spell them out or place the Integrated Agency under a duty to think about them.²²³

135. We are unclear why Defra believes that requiring the Integrated Agency to take appropriate account of actual or possible environmental changes would stop the IA having a unified purpose, or why such wording is so important for the Joint Nature Conservation Committee while being unnecessary for the IA. We agree with English Nature that it is odd, at the least, to drop such wording from the draft Bill, and, in the absence of any very strong arguments from Defra to remove it, recommend that it be included, as parallel wording was in the 1990 Environmental Protection Act in respect of English Nature.

Clause 10: the Integrated Agency and Regional Spatial Strategies

136. Clause 10 of the draft Bill makes provision for the Integrated Agency’s advisory and consultancy work. In particular, the Clause allows the Agency to give advice “to any person on any matter relating to its general purpose”, at the request of that person, or if the Agency thinks it appropriate to do so, on its own initiative (Clause 10(4)). The CPRE, the RSPB, the Wildlife Trusts and the Woodland Trust, in joint evidence, suggested that this clause could be amended in respect of Regional Spatial Strategies (RSS) established

²²² Appendix 5, para 8, Qq 476-77

²²³ Appendix 26b, part D, section 12

under the Planning and Compulsory Purchase Act 2004. The joint submission argued that the IA needed to be able to engage fully with the development of Regional Spatial Strategies. The IA's advisory function, under Clause 10, could be extended by an amendment giving the IA a statutory duty to contribute to Regional Spatial Strategies, which are prepared by the regional planning body, and a statutory right to be heard at the Examination in Public for any RSS.²²⁴

137. We have already noted the importance of the relationship between the new arrangements for rural delivery and the planning system. One way of helping ensure this relationship works effectively would be to create a statutory link between the functions of the Integrated Agency and the regional planning bodies. We therefore recommend that the advisory powers of the IA, set out in clause 10, be extended to include a duty to contribute to Regional Spatial Strategies. We note the suggestion in evidence that the Integrated Agency be given a statutory right to be heard at the Examination in Public for any Regional Spatial Strategy. Section 8(2) of the Planning and Compulsory Purchase Act 2004 states that “No person has a right to be heard at an examination in public.” We are not convinced that it would be appropriate to make an exception solely for the Integrated Agency.

Clauses 15 and 16 and Schedule 1: independence of the Integrated Agency

138. Much of the evidence argued that the Agency's independence could be compromised by the provisions of Clause 15 (guidance by the Secretary of State) and Clause 16 (directions by the Secretary of State). There were also concerns on the same grounds about Schedule 1 (membership). Clause 15 states that the Secretary of State may give the Agency guidance as to the exercise of its functions, and that the Secretary of State must publish any such guidance. Clause 16 states that the Secretary of State may give the Agency general or specific directions as to the exercise of its functions; such directions are also to be published. Schedule 1, paragraph 3, states that the Agency is to consist of “a chairman appointed by the Secretary of State, and such other number of members as the Secretary of State may appoint.”

139. The Council for National Parks felt the independent “arms length” nature of the organisation might be undermined by the wide-ranging powers to give guidance.²²⁵ The Wildlife Trusts noted that the terms of Clauses 15 and 16 were much wider than the parallel statutory provisions relating to other bodies such as the Environment Agency. The Wildlife Trusts also noted that the limitations on the Secretary of State's power of direction in relation to English Nature contained in Section 131(4) and Section 132(1) of the Environmental Protection Act 1990 had not been replicated in the draft Bill in respect of the Integrated Agency.²²⁶ (There is no statutory provision for the Secretary of State to issue guidance to English Nature, although she can issue directions.²²⁷)

²²⁴ Appendix 36, para 1.3.D

²²⁵ Appendix 23, para 6. See also RSPB, Appendix 3, para 2.2.(ii)

²²⁶ Appendix 17, para 18

²²⁷ Environmental Protection Act 1990, s. 131

140. The Chief Executive of the Environment Agency acknowledged concerns about the possible impact of guidance from Ministers and sought to allay them. She argued that the EA benefited from “strategic” guidance from Ministers and that such guidance could also help the IA. She explained how the Environment Agency’s guidance worked in practice:

We have statutory guidance which Ministers give us every five years and which is at a pretty high strategic level, which we find extremely valuable in that we can write a contract between ourselves and our government sponsors as to what we are going to try and deliver over the next five years.²²⁸

English Nature felt that it would be possible to safeguard the IA’s independence without compromising Governmental flexibility, by amending the draft Bill to make clear guidance would be issued after consultation with the IA, and that the IA should “have regard to” guidance, while “complying” with directions.²²⁹ Defra stated:

“Guidance’ is something that the receiving body must have regard to, but it is not bound to follow the guidance, it retains its independent powers of decision-making. This would apply in respect of the Integrated Agency and any guidance issued to it by the Secretary of State.²³⁰

141. The Minister told us that the model for these clauses was the legislation relating to the Environment Agency.²³¹ But in fact there are substantial differences, as noted below (significant differences in wording are underlined):

Environment Act 1995, Clause 4

“4(2) The Ministers shall from time to time give guidance to the Agency with respect to objectives which they consider it appropriate for the Agency to pursue in the discharge of its functions ...

(4) In discharging its functions, the Agency shall have regard to guidance given under this section.

(5) The power to give guidance to the Agency under this section shall only be exercisable after consultation with the Agency and such other bodies or persons as the Ministers consider it appropriate to consult in relation to the guidance in question.”

142. Earlier in our report we noted how important it was that the new Integrated Agency be a truly independent body. That independence must be explicitly enshrined in statute. We are concerned that the Bill as currently drafted gives the impression that the IA would have less independence from Ministers than either English Nature

²²⁸ Qq 364-65

²²⁹ Appendix 5a, paras 9-10

²³⁰ Defra, Appendix 26b, part D, section 20

²³¹ Qq 548-49

or the Environment Agency. This is unacceptable. We welcome Defra's statement that the IA would not be bound to follow guidance from the Secretary of State, but believe this should be spelt out on the face of the Bill, by making clear that the IA should only "have regard to" such guidance. This would increase public confidence in the new Agency. For the same reason, we also recommend that the Bill be amended to make clear that guidance relates to objectives which the Secretary of State considers it appropriate for the Agency to pursue; and that guidance would be issued only after consultation with the Agency. We also recommend that Defra explain why the limits on Ministerial directions to English Nature have not been replicated in the draft Bill in respect of the IA.

143. Evidence also noted the difference between the draft Bill's provisions regarding the Secretary of State's power to appoint members and that contained in the legislation underpinning the Environment Agency and English Nature. In both those cases, the relevant Act lays down the minimum and maximum number of members who can be appointed. The 1995 Act also states, in relation to the Environment Agency, that the Secretary of State "shall have regard to the desirability of appointing a person who has experience of, and has shown capacity in, some matter relevant to the functions of the Agency".²³² English Nature believed such a model was better suited to a large NDPB than the "completely open scenario" in the draft Bill.²³³ The Wildlife Trusts noted that the draft Bill did not define upper or lower limits to the size of membership, and were also anxious that the membership should have a majority with experience directly relevant to the IA's general purpose.²³⁴ The British Mountaineering Council described the draft Bill as giving the Secretary of State "sweeping powers" to appoint members of the IA.²³⁵

144. Defra's written evidence notes that there is currently no limit on the number of Countryside Agency board members, while English Nature's legislation sets a range of numbers – 10 to 14 – but includes provision for the Secretary of State to be able to change this range by order. Defra has adopted the Countryside Agency approach "because it is simpler and more flexible".²³⁶ However, Defra witnesses told us, in respect of both the IA and the CRC, that Defra did not "feel strongly about the question of prescribing members".²³⁷

145. We were unconvinced by Defra's arguments in favour of the Secretary of State's wide-ranging power to appoint members of the Integrated Agency, contained in the draft Bill. Ministers have nothing to fear and much to gain from an independent and independently-minded Agency, and the public are more likely to accept that the IA is such a body if the provisions in the Bill relating to its membership make clear the limits to the Secretary of State's powers. We therefore recommend that the provisions

²³² Environment Act 1995, s. 1(4)

²³³ Appendix 5a, para 8

²³⁴ Appendix 17, para 18

²³⁵ Appendix 10 para 13

²³⁶ Appendix 26b, part D, section 21

²³⁷ Q 548

of Schedule 1 to the draft Bill, relating to membership of the Integrated Agency, be amended as follows:

- A minimum and maximum number of members should be specified, as is the case with the Environment Agency
- The Secretary of State should have regard to the desirability of appointing a person who has experience of, and has shown capacity in, some matter relevant to the functions of the Agency
- It should be clear on the face of the Bill that the chairman of the Agency, as well as the Secretary of State, has power to appoint some members.

Part 1, Chapter 2: the Commission for Rural Communities

146. Clauses 17-25 and Schedule 2 of the draft Bill provide for the establishment of the Commission for Rural Communities (CRC), which will take over the Rural Advocate function of the Countryside Agency and be a “national rural advisor, advocate and watchdog”. The CRC will not be a delivery body but “as a wholly impartial watchdog will challenge government and delivery organisations ... to do better in focusing on policy and delivery on need and disadvantage”.²³⁸

147. In the case of some of the issues raised about the CRC, witnesses made clear that they were not seeking amendments to the draft Bill, as these issues could be dealt with administratively. But as with the IA, there was concern over what the drafting implied about the independence and influence of the CRC, and its purposes.

Clause 18: purposes

148. Clause 18 of the draft Bill sets out the Commission's general purpose. Clause 2(b) defines “rural needs” as “the social and economic needs of persons in rural areas in England (especially the needs of those suffering from social disadvantage and economic under-performance)”. The LGA argued that the definition of “rural needs” in Clause 2(b) could be too narrow and suggested that rural needs might be better defined as “(especially, but not exclusively, the needs of those suffering from social disadvantage and economic under-performance).”²³⁹ The NFU also felt that the Bill should make it clearer that, while the CRC would be concerned with rural areas suffering from social disadvantage and economic under-performance, its activities would not be exclusively confined to them.²⁴⁰ The County Councils Network was concerned about the “narrow focus” of social and economic disadvantage implied in the draft Bill, assuming it was based upon Defra's definition of economically lagging districts, as this did not take “sufficient account of the problem of hidden deprivation in much of rural England”.²⁴¹

²³⁸ Policy statement, p 9

²³⁹ Appendix 25, para 13

²⁴⁰ Appendix 19, para 10

²⁴¹ Appendix 30, page 2

149. We are not convinced that it is necessary to lay down in statute that the Commission for Rural Communities should play a special role in respect of particular groups of rural people. The focus of the CRC's work will change over time to reflect the changing priorities of rural England, and the draft Bill should give it that degree of flexibility. We therefore recommend that the definition of "rural needs" in Clause 18(2) be amended to read: "the social and economic needs of persons in rural areas in England". If the Secretary of State wishes to direct the work of the CRC to focus on specific groups within the rural population, such as those suffering from social disadvantage, we believe it should be possible for her to do so, either through the provisions relating to directions contained in Clause 25, or through a new power to give guidance, as in the case of the Integrated Agency.

Clauses 19 and 25 and Schedule 2: independence, influence and 'rural proofing'

150. As with the Integrated Agency, much of the evidence questioned whether the bill as drafted gave the CRC sufficient independence from Government. Evidence focused on the provisions on direction by the Secretary of State; whether the fact that advice from the CRC has been rejected should be made public; and the Secretary of State's power to appoint members. Linked to these concerns were doubts about whether the language of the draft Bill sufficiently reflected the importance of the CRC's "rural proofing" role.

151. Clause 19 of the draft Bill states that the Commission "must take such steps as appear to it to be appropriate" to represent rural needs to relevant persons, and to provide relevant persons with information and advice about issues connected with rural needs or ways of meeting them. It must also monitor the way in which policies adopted by relevant persons are implemented and the extent to which those policies are meeting rural needs. A "relevant person" is defined in Clause 18(2) as "a public authority, or a body which appears to the Commission to be concerned with any aspect of rural needs".

152. On "rural proofing", Countryside Agency witnesses told us that, ideally, a duty to "rural proof" the activities of public bodies would have been included in the draft Bill itself. However, they accepted this was not possible: "we are reasonably content that we have got the best deal that we can have at the moment and that rural proofing will be taken seriously".²⁴²

153. The NFU argued that the CRC was in danger of being a "toothless watchdog" unless it had more power to influence the rural agenda and especially if its advice were ignored. The NFU therefore suggested that, at the least, the CRC should have the same power as the Integrated Agency to require a public authority which has received advice to confirm to the Agency whether it has been rejected. That way it would be on the public record.²⁴³ The Countryside Agency suggested that the CRC should be obliged to report on and publish the results of its monitoring of the impact of policies and delivery, which is not

²⁴² Q 416

²⁴³ Appendix 19, para 11

currently explicit in the draft Bill. The CA argued that such a change would strengthen the Commission's watchdog function.²⁴⁴

154. We have already noted that the Commission for Rural Communities needs to be able to seek the “rural proofing” of all levels of Government. In the context of the draft Bill, we believe this function could be strengthened by amending Clause 19 as follows:

- **Clause 19(b) should include a provision allowing the CRC to require a “relevant person” to confirm whether its advice has been rejected.**
- **Clause 19(c) should include a requirement on the CRC to report publicly on the outcome of its monitoring of the extent to which policies are meeting rural needs**

155. Clause 25 gives the Secretary of State power to give the CRC “general or specific directions as to the exercise of its functions”. Schedule 2 (Membership) gives the Secretary of State power to appoint the Chairman and places no limit on the number of other members the Secretary of State may appoint. As with the parallel powers in respect of the IA, some witnesses argued that these powers might compromise the independence of the CRC. The Family Farmers' Association felt that the Secretary of State would have “enormous power” over the CRC.²⁴⁵ Defra states that directions to the CRC (and the other directions in the draft Bill) are standard:

It is considered by the Department to be necessary to have these direction making powers in circumstances where such public bodies have been given significant responsibilities. They are being asked to exercise important statutory functions of a public nature including the spending of public money. In such circumstances the Secretary of State of the sponsoring Department should be able to handle such relationship issues in this way.²⁴⁶

(An example of a body which is independent but still subject to directions from Ministers is the NHS Appointments Commission.)

156. In order to ensure the independence of the Commission for Rural Communities is properly entrenched in the draft Bill, and is made evident to those whom it will serve, we believe that the Secretary of State's powers to appoint its members needs to be limited. We therefore recommend that the draft Bill be amended to make similar provision for appointments to the CRC as we have recommended in respect of the Integrated Agency. We accept that it is standard practice for Ministers to take powers in legislation to issue directions to public bodies, and that this does not necessarily affect the ability of such bodies to act independently. But we note that in some circumstances the remit of directions from the Secretary of State is limited in statute,

²⁴⁴ Appendix 12, para 14

²⁴⁵ Appendix 2; see also CPRE Qq 518-19

²⁴⁶ Appendix 26, para 51

as in the case of English Nature. We therefore recommend that Defra consider ways in which the power of direction relating to the CRC contained in the draft Bill could be made less all-encompassing, in order to make clear the CRC's independence from Ministers.

Part 3: flexible delivery arrangements

157. The main area of comment in the evidence we received on this Part of the draft Bill was Chapter 1 (Clauses 41-48), which covers agreements between the Secretary of State and certain other bodies, and between such bodies, to perform functions of the Minister, and Chapter 2 (powers to reform agricultural etc. bodies). We received virtually no evidence on Chapter 3 (power of Secretary of State to make grants).

Chapter 1: agreements with designated and non-designated bodies

158. Defra argues that the new arrangements in Chapter 1 provide “a simple and efficient way to move functions with the minimum bureaucracy ... [with] no overlap or duplication arising”.²⁴⁷ Clause 41 allows Ministers to enter into an agreement with a designated body authorising that body to perform an eligible function of the Minister. (“Designated bodies” are Defra-sponsored bodies listed in Schedule 5.) Clause 42 allows the Secretary of State to enter into an agreement with a non-designated body (defined simply as a body not listed in Schedule 5), authorising that body to perform an eligible Defra function. Clause 43 allows designated bodies to enter into agreements with other designated and non-designated bodies. Defra argues that the Clause 43 power removes potential obstacles to the wider adoption of the practice of nominating “lead delivery agents” amongst partnerships.²⁴⁸

159. Eligible functions that can be delegated under this Chapter include the power to enter, inspect or take samples, but do not include: the power to make appointments, give guidance or directions or lay reports or accounts; powers to make subordinate legislation; the functions of an accounting officer; or (with limited exceptions) powers to fix fees or charges.²⁴⁹ Defra gave some examples of possible delegations of functions:

Between designated bodies

- The Forestry Commission might delegate certain functions for providing grants for managing forested land to the Integrated Agency (which would already have powers to give grants for land management generally)
- The Integrated Agency might delegate some of its functions to a national park authority or an Area of Outstanding Natural Beauty in a given area, allowing local bodies (with staff on the ground) the powers and resources to deliver integrated services

²⁴⁷ Policy statement, para 28

²⁴⁸ Policy statement, para 34

²⁴⁹ Appendix 26b, para 43

From designated to non-designated bodies:

- The Integrated Agency might delegate some of its functions (e.g. licensing functions) to a local authority (which has its own, similar licensing powers, e.g. planning consents) so that locally there is a single point of contact on licensing issues.²⁵⁰

160. Some evidence was supportive of the proposed arrangements. The LGA welcomed them:

The clauses enabling agreements with designated bodies and other bodies appear to enable appropriate flexibility on delegation which should assist more flexible and innovative working between Defra, its family agencies and other organisations, such as local authorities ... The emphasis on the agreements being by mutual consent is welcome.²⁵¹

English Nature concluded that, subject to the safeguard contained in the Policy Statement that delegations would be by mutual consent, “these powers allow welcome future flexibility in the delivery of public services”.²⁵² The Ramblers’ Association thought these provisions would enable more effective delivery and the pooling of relevant knowledge and resources.²⁵³ The Environment Agency and the RDAs were also broadly supportive.²⁵⁴

161. Support for the proposals was not, however, unqualified. The Forestry Commission and the Environment Agency both had concerns about their specific statutory powers being delegated.²⁵⁵ Another concern shared by several organisations was that appropriate funding should follow the functions being delegated.²⁵⁶ The RDAs also raised a particular concern about how the process of mutually delegating functions might cut across existing regional arrangements. They argued that delegation should be linked closely to any relevant regional and local strategies and frameworks:

An agreement, for example, directly between Defra and a locally based organization or partnership made without regard to the Regional Rural Delivery Framework process and preferred delivery mechanisms identified via that process by partners could undermine the principles ... of devolved decision making and integrating and simplifying delivery arrangements.²⁵⁷

162. Among those who opposed the proposals, there was particular concern about the wide scope of the definition of “non-designated bodies” in Clause 42(3). The RSPB believed the drafting of the Bill, in theory at least, would allow for the delegation of functions to non-public bodies:

²⁵⁰ Appendix 26b paras 49, 51

²⁵¹ Appendix 25, para 15

²⁵² Appendix 5, para 13

²⁵³ Appendix 16, para 11

²⁵⁴ Appendix 18, para 2.5, Q 367 [Environment Agency]; Appendix 33, para 11 [RDAs]

²⁵⁵ Appendix 16, para 11 [Forestry Commission]; Appendix 18, para 2.5 [Environment Agency]

²⁵⁶ E.g. Ramblers’ Association, Appendix 8, para 12; LGA, Appendix 25, para 15

²⁵⁷ Appendix 33, para 11

We think this would be especially wrong in respect of regulatory functions that should be vested in public bodies, acting in the general public interest. In addition, non-public bodies would not be considered competent authorities where EU legislation was involved.²⁵⁸

The NFU also felt clarification was needed on whether such bodies could include non-statutory private bodies.²⁵⁹

163. The CLA opposed these provisions, on the grounds they could allow the Secretary of State to authorise NGOs to carry out an “investigative or policing type role”, which would be “wholly inappropriate”.²⁶⁰ The Countryside Alliance believed the draft Bill could allow organisations with a “political agenda” to perform Defra functions.²⁶¹ Ofwat was concerned that this provision might be “a source of regulatory uncertainty”.²⁶²

164. The Minister denied to us that there was any intention to sub-contract Defra functions to the private sector, and seemed to imply that the provisions related to public bodies:

Certainly the intention of this [Clause 42] was to ensure that we could cover non-designated public bodies, which could include local authorities for example ... If you mean are we sub-contracting [functions] to the private sector, then, no, we are either creating or using public bodies to carry out tasks that were previously done by the central department or transferring them temporarily, delegating them in the strict sense of the word, from one existing public body to another, by consent.²⁶³

He also gave the impression that Defra was open to suggestions about how to make this section of the Bill clearer:

I guess it is part of the job of pre-scrutiny for us to check whether in fact this would be exclusive [i.e. only apply to public bodies] before we produce a final Bill.²⁶⁴

165. Defra's supplementary written evidence, however, appears to put a somewhat different interpretation on the power to delegate Defra functions to non-designated bodies:

[Clause 42] is primarily aimed at public sector agencies or authorities, but we envisage that there may be activities such as, for example “monitoring” of the beneficial outcomes from grant-aided conservation activities that might be suitable to be undertaken by a private company ... It does not limit the agreements to being with

²⁵⁸ Appendix 3, para 2.3

²⁵⁹ Appendix 19, para 13

²⁶⁰ Appendix 11, para 26

²⁶¹ Appendix 28, para 4.4

²⁶² Appendix 35

²⁶³ Q 546

²⁶⁴ Q 538

“public bodies”. This would allow the power to be used, where appropriate, to “contract out” functions to private bodies.²⁶⁵

166. We support the draft Bill’s aim of allowing greater flexibility in the delivery of rural services, and removing obstacles to the creation of lead local delivery agents. But on the basis of the evidence we have received, from the Minister and others, we require more clarity about precisely what is envisaged before we can agree to the provisions relating to agreements with designated and non-designated bodies. We are concerned about the apparent contradiction between the Minister’s oral evidence, which gave the impression that the power of delegation related to public bodies, and Defra’s written evidence, which refers to private sector bodies. This confusion only serves to justify the anxieties expressed to us about the possible range of organisations which could be given responsibility for discharging the functions of Defra, and bodies within the Defra family. Given that the draft Bill proposes that such delegations of functions shall take place with no automatic scrutiny by Parliament, it is especially important that the Government make clear its intentions.

167. We recommend that, in its response to our Report, Defra makes a clearer statement about how each of the provisions in Clauses 41 to 43 will operate in practice, including further concrete examples; and about the role to be played by non-public bodies, and how such bodies will be held accountable for their discharge of their functions.

Chapter 2: agricultural and horticultural levy bodies

168. Chapter 2 (Clauses 49 to 59) of Part 3 of the draft Bill puts in place a general provision which would enable Ministers to abolish, amend or merge the existing agricultural and horticultural levy boards, or to create new bodies. A review of the levy boards was recommended by Lord Haskins and was announced by Ministers on 15 March 2005.²⁶⁶ Although this chapter of the draft Bill is not concerned with the immediate implementation of the Rural Strategy, we examined it because it would give the Secretary of State wide-ranging powers (under Clauses 49 and 53) to reconstitute or abolish, by way of secondary legislation, bodies set up by primary legislation. We have not at this stage addressed the policy issues relating to these bodies, but we comment below on the proposed order-making powers and their scrutiny by Parliament.

169. The levy boards have welcomed the proposal for a review and the NFU “generally welcomed” these provisions²⁶⁷, although the CLA felt it was difficult to assess whether the “wide-ranging powers” to reform the boards were necessary in advance of the review.²⁶⁸ The levy bodies stressed the need for full consultation, including with the funders of the levy bodies, before bodies were abolished or reformed. The Home-Grown Cereals Authority (HGCA) argued:

²⁶⁵ Appendix 26b, paras 46, 48

²⁶⁶ Qq 589-91; HC Deb, 15 March 2005 col 13WS

²⁶⁷ E.g. Milk Development Council Appendix 21; NFU, Appendix 19, para 17

²⁶⁸ Appendix 11, para 27

It will be particularly important to have a well structured consultation process across the industry if and when structural changes to the current levy bodies are proposed to ensure that all the stakeholders buy into any new structure.²⁶⁹

Lord Whitty assured us that there would be full consultation during the review and on its outcome.²⁷⁰ The Royal Institution of Chartered Surveyors argued that existing bodies should not be dissolved under Clause 53 until their functions have been transferred to new bodies.²⁷¹ The Minister responded that Ministers would be guided by whatever the reviewer recommended.²⁷²

170. The powers to make these changes to the levy bodies would be exercised through secondary legislation. This means that Ministers would be able to amend the various Acts of Parliament which established the bodies by unamendable statutory instruments. The Bill provides for such orders to be subject to the affirmative resolution procedure. The NFU argued that, although it was right to use the affirmative rather than the negative procedure, not least because such orders would impose compulsory levies, more detailed Parliamentary scrutiny, e.g. by this Committee, was necessary “than is possible under the ‘accept or reject’ nature of scrutiny of statutory instruments by Parliament.”²⁷³ The RICS was concerned that this power might be “a circumvention of the parliamentary process”.²⁷⁴

171. It should be noted that the power to establish new public bodies by secondary rather than primary legislation is not unprecedented. For example, NHS Trusts are established by orders made under the National Health Service and Community Care Act 1990. The 1990 Act includes provision for statutory consultation before NHS Trusts are created.²⁷⁵

172. We are content in principle with the proposal in Chapter 2 of Part 3 the draft Bill that Ministers be given power to amend primary legislation relating to the levy bodies by way of secondary legislation. We note that it is not unprecedented for Ministers to take power to create new public bodies by secondary legislation. However, the present proposals could involve the wholesale abolition of existing bodies, some with a long history and all of them of great importance to those who pay the compulsory levies that fund them. For this reason, we believe that an additional degree of Parliamentary scrutiny of orders made under this Chapter would be appropriate. We recommend that, in its response to our Report, Ministers give an undertaking to publish any orders made under this chapter in draft for ‘pre-legislative scrutiny’ by this Committee, and to allow adequate time for the Committee to carry out such scrutiny if it chooses to do so.

²⁶⁹ Appendix 4, para 3

²⁷⁰ Qq 589-92

²⁷¹ Appendix 20

²⁷² Q QQ 589-92

²⁷³ A19 para 17

²⁷⁴ A20, p 5

²⁷⁵ National Health Service and Community Care Act 1990, c. 19, s. 5

173. We welcome the assurances from the Minister that there will be full consultation concerning the forthcoming review of the levy boards, but, given the potentially wide-ranging changes that might emerge from the review, we recommend that a requirement to consult be included on the face of the Bill.

174. Clause 50 of the Bill states that one of the permissible purposes of levy bodies set up under this Part is 'agriculture', defined as including:

horticulture, fruit growing, seed growing, dairy farming and livestock breeding and keeping, and the use of land as grazing land, meadow land, osier land, market gardens and nursery grounds.

The NFU, the HGCA and the Horticulture Development Council (HDC) all argued that the definition was inadequate. The HGCA suggested that someone

might make a case that biomass crops or other plants grown for energy production were not agricultural crops, particularly where tree species were being grown for the purpose. There may also be an increase in the area of novel crops grown for pharmaceutical or other high value industrial purposes during the life of the Act. The Bill should include a 'catch all' phrase to make it clear that the Act, when it becomes one, applies to all crops grown on a commercial or field scale.²⁷⁶

The HDC argued that the definition appeared to be "arbitrary and overlapping", and could provide scope for some sections of the industry to claim that they were not covered by the Act and consequently would not be subject to an order under Clause 49. The HDC proposed that the draft Bill could include a broad approach – e.g. arable, forestry, horticulture and livestock – that could later be refined in any order under Clause 49 to define the specific crops to be covered by that board.²⁷⁷

175. Defra told us that "we are happy to consider whether there is benefit in departing from the standard definition for the limited purposes of this Act."²⁷⁸

176. We have some sympathy with the points made to us about the definition of agriculture contained in Clause 50(4), and welcome Defra's readiness to consider this issue. But we recommend that any redrafting of the definition builds on the existing wording, and does not discard any of its elements.

Order-making powers: general

177. The draft Bill contains a number of order-making powers in addition to those relating to the levy boards in Clauses 49 to 59. They are set out in Defra's written evidence. In this section we briefly consider each one and state whether we believe the proposed form of Parliamentary oversight is appropriate.

²⁷⁶ Appendix 4, para 4

²⁷⁷ Appendix 7, para 4. See also NFU, Appendix 19, para 19

²⁷⁸ Appendix 26b, part D, section 53

178. Clause 11 (3) (power to charge fees for issuing of licences by the Integrated Agency):

Power conferred on:	Secretary of State
Power exercisable by:	Statutory Instrument
Parliamentary procedure:	Negative Resolution

This provision enables the Secretary of State to provide for the Integrated Agency to charge fees so as to meet its reasonable costs of processing licence applications. The CLA argued that it was not clear for what purposes such licences would be issued, and wished this to be clarified.²⁷⁹ English Nature told us that the ability to charge fees for licences was carried over from English Nature and the RDS.²⁸⁰ Defra states that “safeguards and detailed provisions to ensure that such charging regimes would be fair, proportionate and only cover costs of administering would be built into an order.”²⁸¹

179. We are content with the order-making power in Clause 11 (3), and welcome Defra’s assurance that orders made under it would include safeguards to ensure any charging regimes were fair, proportionate and would only cover the costs of administration. But given that such orders concern the charging of fees, we believe that a greater degree of Parliamentary scrutiny is appropriate. We therefore recommend that such orders be subject to the affirmative resolution procedure.

180. Clause 41 (4) (adding public bodies to a list of designated bodies):

Power conferred on:	Secretary of State
Power exercisable by:	Statutory Instrument
Parliamentary procedure:	Negative Resolution

This mechanism allows the Secretary of State to add or remove names from the list in Schedule 5 if new bodies are created or existing bodies are dissolved. The Minister told us that this provision would *not* allow Ministers to abolish any of the bodies.²⁸²

181. We are content with the order-making power in Clause 41(4) and the use of the negative resolution procedure, given the Minister’s assurance that it does not allow for the abolition of any of the bodies concerned.

182. Clause 44 (4) (c) (power to enable certain charges to be fixed by bodies authorised by the appropriate Minister of the Crown):

Power conferred on:	Secretary of State
Power exercisable by:	Statutory Instrument
Parliamentary procedure:	Negative Resolution

²⁷⁹ Appendix 11, para 18

²⁸⁰ Qq 501-02 (English Nature)

²⁸¹ Appendix 26, para 15

²⁸² Q 553

Defra explains that this provision allows the Secretary of State to authorise a public body to review and consider the relevant fixing of a fee based on its own assessment of research and information relating to costs. An order under this section would enable the Secretary of State to prescribe powers to fix fees or charges which the public bodies could take on. “The order would contain safeguards to the extent that the body must follow detailed conditions that are laid down in it as to the criteria that would need to be addressed before fee increases could be made”.²⁸³

183. We are content with the order-making power in Clause 44(4)(c), and welcome Defra’s assurance that orders made under it would include appropriate safeguards. But given that such orders concern the charging of fees, we believe that a greater degree of Parliamentary scrutiny is appropriate. We therefore recommend that such orders be subject to the affirmative resolution procedure.

184. Clause 67 (power to make further provision)

Power conferred on:	The Secretary of State
Power exercisable by:	Statutory Instrument
Parliamentary procedure:	Affirmative Resolution for amending primary legislation Negative Resolution for amending secondary legislation

Defra describes this as “a standard provision to ensure that there is power to do everything to give full effect to the Act”. It enables further consequential amendments of other primary legislation that are not addressed in Schedules 10 and 11 to be made by statutory instrument. Existing references in secondary legislation to English Nature or the Countryside Agency, which are to be dissolved by this Bill, will be dealt with under this section by a single instrument that makes all the necessary changes. Defra notes several recent examples of this kind of provision, including Section 28 of the Child Trust Funds Act 2004 and Section 250 (read in conjunction with Section 265) of the Housing Act 2004.²⁸⁴ It is noticeable that any amendment of primary legislation under Clause 67 must be made through the affirmative resolution procedure.

185. We are content that the order-making power in Clause 67 is reasonable, and that the use of the affirmative resolution procedure to amend primary legislation, and the negative resolution procedure to amend secondary legislation, is appropriate.

²⁸³ Appendix 26, paras 28-29

²⁸⁴ Appendix 26, paras 46-49; Appendix 26(b), part D, section 57

The Regulatory Impact Assessment

186. In August 1998 the Prime Minister announced that no policy proposal which has an impact on business, charities or voluntary bodies should be considered without a Regulatory Impact Assessment (RIA) being carried out. The RIA is an assessment of the impact of policy options in terms of the costs, benefits and risks of a proposal. Cabinet Office guidance encourages Departments not just to identify costs and benefits, but also to quantify them where possible, and advises that: “There is likely to be uncertainty over the valuations. In this case spell out your assumptions and use ranges or ballpark figures where necessary”.²⁸⁵

187. The RIA produced in support of the draft Bill appears to be essentially policy-driven. That is, rather than rigorously testing the merits of the various options outlined, the RIA seems to be merely an exercise in justifying the policy decisions already made. It is difficult to see what understanding the RIA adds to the draft Bill.

188. For example, the RIA outlines three options in relation to the establishment of an Integrated Agency. Option 1 is to do nothing, Option 2 is to partially align English Nature, the Countryside Agency and the Rural Development Service, and Option 3 is to establish an Integrated Agency. Costs and benefits associated with the preferred Option 3 are detailed, but similar assessments of the other two options are not provided, with the economic benefits of Option 2 simply described as “limited”.²⁸⁶ It is therefore not possible to compare fully the relative virtues of the three options.

189. We recommend that in presenting the final RIA the Government provides, for those measures within the Bill for which it is possible, comparable estimates of the costs and benefits associated with the various options presented. Failure to do so would render the RIA little more than a cost/benefit analysis of the Government's favoured options.

190. To the extent that the RIA already quantifies some of the costs and benefits of the proposals in the draft Bill, we are disappointed that the figures fail to add much to our knowledge. Most critically, there is no indication of how the estimates have been arrived at. The figures are absolutes, rather than ranges, and there is no discussion of the potential impact of changes in assumptions.

191. For example, with reference to the Integrated Agency, the RIA merely presents a total estimated investment cost of £30 million.²⁸⁷ In response to our written questions, the Department was able to provide us with much more detail, including a breakdown of this total across different cost elements. These figures were presented as ranges and an explanation was given for the basis of these in each instance. The response shows that the

²⁸⁵ Cabinet Office, *Better policy making: A guide to regulatory impact assessment*, para A4.14-A4.22

²⁸⁶ Defra, *Draft Natural Environment and Rural Communities Bill*, Regulatory Impact Assessment, paras 18-38

²⁸⁷ Defra, *Draft Natural Environment and Rural Communities Bill*, Regulatory Impact Assessment, para 36

Government expects investment costs to be in the range of £25.3 million to £36.8 million, with IT systems representing the single largest cost.²⁸⁸

192. The Department has informed us that the figures presented in the draft Bill will be subject to further refinement as the practicalities of the legislation become more certain, and that the RIA published with the final Bill will be updated to reflect the results of work undertaken between now and then.²⁸⁹

193. We recommend that the final RIA contains the level of detail provided to us by the Department in response to our written questions. That is, it should contain a breakdown of estimated costs and savings with details of the assumptions used. Where there is uncertainty, figures should be presented as ranges.

²⁸⁸ Appendix 26a, section 6. See also paras 88-100 above.

²⁸⁹ Appendix 26a, section 1

13 Conclusions and recommendations

Reactions to the Rural Strategy

1. When embarking on a programme of change, it is important not to discard elements of a system that are serving a useful purpose, without first ensuring the replacement structures will represent an improvement to the current situation. The Government has to demonstrate adequately how its proposals will add significant value to the processes of rural delivery. In its response to our report, Defra should spell out in detail how the benefits of the proposed changes for the recipients of the services will outweigh the potential disruption which such changes inevitably cause. (Paragraph 18)

The Forestry Commission

2. We recognise the complexity of addressing the future status of the Forestry Commission, since its operations cover Scotland and Wales, as well as England. However, it seems anomalous that the delivery functions of the Forestry Commission are not to be included in the remit of the Integrated Agency. If the territorial problem cannot be resolved easily, we recommend the closest possible working between the two organisations, including, where appropriate, shared targets. We welcome the fact that the draft Natural Environment and Rural Communities Bill envisages this kind of relationship. (Paragraph 27)

The new Integrated Agency

3. We welcome Ministers' confirmation of the independent status of the Integrated Agency as a non-departmental public body, as in order for it to be successful, it is important that it has a strong independent voice and credibility among its stakeholders. The independence of the new Agency must be clearly enshrined in its establishing legislation. (Paragraph 43)
4. We agree with the Government that it should be possible to realise some efficiency savings when setting up the new Integrated Agency, as overheads from the different elements that make it up can be streamlined. However, the new Integrated Agency must have sufficient resources to carry out the tasks it has been set, and should not be expected to deliver the level of programmes it has inherited on a reduced programme budget. The Government should also publish a detailed breakdown of how it proposes to use the Integrated Agency's establishment budget, taking into account its requirement to slim down Defra's workforce and simultaneously fund the birth of the new Agency and associated developments. (Paragraph 45)

The successor to the Countryside Agency

5. We welcome the fact that the Countryside Agency is not to be abolished. There is a continuing need for an expert policy adviser and rural watchdog. This important role must be recognised by the Government and its activities funded accordingly. It is vital that the expertise developed by the Agency is not lost during the restructuring process. We expect the new Commission for Rural Communities to have sufficient resources,

influence and independence to act as an effective champion of rural issues across the whole of Government. The CRC should seek to ensure the 'rural proofing' of all levels of Government which are engaged in rural delivery and highlight cases of both poor as well as good practice. (Paragraph 59)

6. The role of Rural Advocate is a vital one and we welcome the commitment that the Chairman of the CRC will be the Rural Advocate. To be effective, the Rural Advocate needs proper back-up, and we would be very concerned at any suggestion that the role should be detached from the CRC. (Paragraph 60)

Role of RDAs, Government Offices and local authorities

7. We welcome the Government's desire to move away from centralised target-setting for those delivering services at the regional and local level. However, the Government's approach to devolving rural delivery will only work if there is real empowerment at the local level and this must be reflected in the way the priorities for local spending are determined: they should arise from local needs, locally understood. Actual responsibility must be handed down to regional and local government and agencies, away from the constraints of central government. Defra must make clear, in detail, exactly what it expects local government's role to be in the new architecture for delivering rural services. (Paragraph 67)
8. The Regional Development Agencies will have a major role to play in the new arrangements for the delivery of rural economic policy, but to perform this role successfully they will need to work in partnership with other bodies, including local government. We welcome the RDAs' commitment to doing so. We anticipate that, initially, the abilities of RDAs to embrace the changes and cope with their new responsibilities will vary across the country, but some variation in performance is only to be expected when setting people free from the centralised straitjacket. We saw a very good Regional Development Agency in operation, on our trip to the East of England, and it is important that the RDAs in the other regions are brought up to a similarly high standard as quickly as possible. They are receiving additional resources for their new rural-focused tasks, and they should be expected to use this new funding effectively. (Paragraph 71)
9. With so many players involved in the delivery of the new arrangements, some form of mechanism needs to be established so that all their efforts can be properly coordinated. It is not obvious to us where the Government Offices for the Regions fit into the new arrangements. However, we note proposals from Defra and others that the Government Offices should play some kind of coordinating role, through the Regional Delivery Frameworks. We are attracted in principle to this approach, but would wish to be reassured that the Government Offices have the capacity, and the environmental credentials, to perform such a role effectively. We request that, in its response to our report, Defra explain in more detail how it sees the role of the Government Offices in coordinating the work of key players. (Paragraph 74)
10. The Rural Strategy appears to provide only a modest role for local authorities. However, the thrust of the Strategy and the draft Natural Environment and Rural Communities Bill is that different local contexts will mean that different local bodies

will be appropriate for delivering services. We welcome the Minister's confirmation that local authorities are included among the bodies to which functions may be delegated under the draft Bill. We believe that in many cases local authorities will be the best local delivery agents, and that the responsibilities of local authorities, including parish councils, should be increased where they are able to prove their capabilities. It is crucial that the outcome of the rural pathfinder exercises is available as soon as possible to contribute to the establishment of their enhanced role. (Paragraph 82)

11. We welcome the Government's intention of promoting the regeneration of rural areas, but note that this may in some cases generate tensions with the way the planning system operates. We recommend that, in its response to our report, Defra sets out how it envisages the new arrangements for rural delivery will dovetail with the planning system. We further recommend that Defra consider reviewing, in conjunction with the Office of the Deputy Prime Minister, the way the planning system currently operates in rural England. (Paragraph 83)

Streamlining of funding streams

12. We welcome, in principle, the proposal to reduce the number of funding streams, and to establish three major funding programmes, as this should aid administration. However, the real test will be whether the process of application and qualifying for funding is simplified for the eventual recipient. We remain to be convinced by Defra's claim to be streamlining over one hundred rural funding schemes. The three major funding programmes with which Defra proposes to replace them may still involve many specific funding schemes. We recommend that, in its response to our Report, Defra sets out in detail precisely how many new funding streams—as opposed to programmes—will be established under the new arrangements. In reducing the number of streams it will be necessary to avoid a 'beauty contest' where schemes are retained as a result of political sensitivities, rather than on more objective criteria. (Paragraph 89)

IT strategy

13. We have seen examples in the past of Defra IT schemes having problems, the latest manifestation of which is the delayed timetable for farmers to receive their first single farm payments. Given the rapid pace of change in setting up the new arrangements, care must be taken to ensure that IT systems, which are vital in delivering funding and services to those who need them, are in place in time for the establishment of the new agencies. In its response to this Report, Defra should set out the timetable for making necessary changes to IT systems, with the dates by which key milestones have to be achieved. Defra should also publish on its departmental website a quarterly update on its progress towards achieving its IT milestones. In addition, the Department should consider appointing to its Board a non-executive member who has significant senior management experience of successfully introducing major IT change programmes in an organisation of an equivalent size to Defra. (Paragraph 94)

Costs of making the changes

14. As Lord Haskins indicated, the existing duplication within the delivery structure must be reduced. We broadly support the Government's restructuring proposals in so far as they are designed to eliminate duplication of activity and generate efficiency savings by the agencies. But the rationalisation process should not be a cover for the cutting of actual budgets required for new and existing bodies to fulfil their tasks. (Paragraph 101)
15. It is important to emphasize that the predicted efficiency savings must be realised, and progress towards meeting them should be monitored closely, as it will be by this Committee. To assist in this process, the Department's Annual Report should contain a detailed analysis of, and report on, progress towards achieving its cost savings targets. It has been difficult at this stage for us to reach a judgement on whether the costs involved in the proposed reorganisation are justified. This is only partly because of the complexity in clarifying the figures for the expected costs and savings, although we welcome the additional detailed analysis Defra has provided. Secondly, and more importantly, the financial balance sheet does not take account of costs, in the wider sense, to the organisations involved in the change process. It is inevitable that staff are distracted by process issues during this kind of transition, and administrative upheaval can lead to substantive work being neglected. We hope that the final outcomes of these reforms will outweigh the disruption caused in planning and implementing them. The best judges of this will be the recipients of rural services themselves. (Paragraph 102)

Timing issues

16. We sympathise with the Government's desire to implement the Rural Strategy in time for the start of the new EU Rural Development Programme in January 2007. Given this target, we were disappointed that the Government took so long to publish its Rural Strategy once Lord Haskins had produced his Rural Delivery Review. We are not persuaded by Defra's arguments as to why it took eight months to publish the Strategy. The delay has reduced the amount of time for consultation and agreement on the mechanics of implementation, and for getting the new administrative building blocks in place. However, now the reform process is so well advanced, the primary legislation needed to implement so much of it must not be unnecessarily delayed. (Paragraph 107)

General conclusion on the Strategy

17. In this report we have sought to analyse the main elements of the Government's Rural Strategy. However, the real measure of whether the reforms underlying the Rural Strategy and the draft Bill are working will be their impact on the environment and local rural communities, and those who are responsible for their services. In many parts of the country, as we saw in the East of England, people on the ground are getting on with the job of rural delivery and are achieving a great deal to improve the quality of rural life and to protect and enhance the natural environment. Central Government's activities should show the same level of commitment as that of the people at the cutting edge. The Government, and Defra in particular, must not let them down. (Paragraph 109)

The draft Natural Environment and Rural Delivery Bill

The Integrated Agency

18. We agree that conflicts between the purposes of the Integrated Agency listed in Clause 2(2) of the draft Bill should be rare, and that good management and cooperation between parties should allow them to be overcome. But we recommend that provision be made in the Bill for the 'Sandford principle' to apply in those exceptional circumstances where there is an irreconcilable conflict, to make clear that the aim of conserving and enhancing the natural environment takes precedence over other purposes. (Paragraph 121)
19. Defra argues, in respect of the reference to landscape in Clause 2(2)(b), that the Integrated Agency's general purpose in Clause 2(1) of ensuring that the natural environment is conserved, enhanced and managed implicitly includes protecting the landscape. But the inclusion of the phrase "protecting biodiversity" in Clause 2(2)(a) could be seen as leaving landscape in an inferior position, as it is not explicitly "protected". We therefore recommend that, for the avoidance of doubt, Clause 2(2)(b) be amended to include reference to the "protection" of the English landscape. (Paragraph 123)
20. We note Defra's argument that the Integrated Agency should have an 'enabling' purpose, but believe this could still be secured while ensuring that the IA does not run the risk of having to promote recreation of a kind that is contrary to the principles of sustainability. We therefore recommend that Clause 2(2)(d) of the Bill be amended so that the relevant purpose would read: "promoting access to the countryside and open spaces and encouraging quiet open-air recreation. (Paragraph 126)
21. We agree with Defra that the Integrated Agency is an environmental body. But part of its remit is to deliver socio-economic benefits through the discharging of its environmental role. We therefore recommend that Clause 2(2)(e) be amended so that the IA's purposes include "promoting, and contributing in other ways to, social and economic well-being through management of the natural environment". Any potential conflict between this purpose and the wider role of the Agency as a champion of the natural environment could be resolved through the application of the 'Sandford principle' recommended above. (Paragraph 129)
22. We note Defra's argument that the Integrated Agency cannot be expected to integrate sustainable development considerations on matters outside its remit. But it does not follow from this that the IA has no role at all in promoting sustainable development. We therefore recommend that Clause 2(1) of the draft Bill be amended so that the general purpose of the IA includes "to promote sustainable development", rather than simply "contributing" to it through its work. (Paragraph 132)
23. We are unclear why Defra believes that requiring the Integrated Agency to take appropriate account of actual or possible environmental changes would stop the IA having a unified purpose, or why such wording is so important for the Joint Nature Conservation Committee while being unnecessary for the IA. We agree with English Nature that it is odd, at the least, to drop such wording from the draft Bill, and, in the

absence of any very strong arguments from Defra to remove it, recommend that it be included, as parallel wording was in the 1990 Environmental Protection Act in respect of English Nature. (Paragraph 135)

24. We have already noted the importance of the relationship between the new arrangements for rural delivery and the planning system. One way of helping ensure this relationship works effectively would be to create a statutory link between the functions of the Integrated Agency and the regional planning bodies. We therefore recommend that the advisory powers of the IA, set out in clause 10, be extended to include a duty to contribute to Regional Spatial Strategies. We note the suggestion in evidence that the Integrated Agency be given a statutory right to be heard at the Examination in Public for any Regional Spatial Strategy. Section 8(2) of the Planning and Compulsory Purchase Act 2004 states that "No person has a right to be heard at an examination in public." We are not convinced that it would be appropriate to make an exception solely for the Integrated Agency. (Paragraph 137)
25. Earlier in our report we noted how important it was that the new Integrated Agency be a truly independent body. That independence must be explicitly enshrined in statute. We are concerned that the Bill as currently drafted gives the impression that the IA would have less independence from Ministers than either English Nature or the Environment Agency. This is unacceptable. We welcome Defra's statement that the IA would not be bound to follow guidance from the Secretary of State, but believe this should be spelt out on the face of the Bill, by making clear that the IA should only "have regard to" such guidance. This would increase public confidence in the new Agency. For the same reason, we also recommend that the Bill be amended to make clear that guidance relates to objectives which the Secretary of State considers it appropriate for the Agency to pursue; and that guidance would be issued only after consultation with the Agency. We also recommend that Defra explain why the limits on Ministerial directions to English Nature have not been replicated in the draft Bill in respect of the IA. (Paragraph 142)
26. We were unconvinced by Defra's arguments in favour of the Secretary of State's wide-ranging power to appoint members of the Integrated Agency, contained in the draft Bill. Ministers have nothing to fear and much to gain from an independent and independently-minded Agency, and the public are more likely to accept that the IA is such a body if the provisions in the Bill relating to its membership make clear the limits to the Secretary of State's powers. We therefore recommend that the provisions of Schedule 1 to the draft Bill, relating to membership of the Integrated Agency, be amended as follows:
 - A minimum and maximum number of members should be specified, as is the case with the Environment Agency
 - The Secretary of State should have regard to the desirability of appointing a person who has experience of, and has shown capacity in, some matter relevant to the functions of the Agency
 - It should be clear on the face of the Bill that the chairman of the Agency, as well as the Secretary of State, has power to appoint some members. (Paragraph 145)

The Commission for Rural Communities

27. We are not convinced that it is necessary to lay down in statute that the Commission for Rural Communities should play a special role in respect of particular groups of rural people. The focus of the CRC's work will change over time to reflect the changing priorities of rural England, and the draft Bill should give it that degree of flexibility. We therefore recommend that the definition of "rural needs" in Clause 18(2) be amended to read: "the social and economic needs of persons in rural areas in England". If the Secretary of State wishes to direct the work of the CRC to focus on specific groups within the rural population, such as those suffering from social disadvantage, we believe it should be possible for her to do so, either through the provisions relating to directions contained in Clause 25, or through a new power to give guidance, as in the case of the Integrated Agency. (Paragraph 149)
28. We have already noted that the Commission for Rural Communities needs to be able to seek the "rural proofing" of all levels of Government. In the context of the draft Bill, we believe this function could be strengthened by amending Clause 19 as follows:
- Clause 19(b) should include a provision allowing the CRC to require a "relevant person" to confirm whether its advice has been rejected.
 - Clause 19(c) should include a requirement on the CRC to report publicly on the outcome of its monitoring of the extent to which policies are meeting rural needs (Paragraph 154)
29. In order to ensure the independence of the Commission for Rural Communities is properly entrenched in the draft Bill, and is made evident to those whom it will serve, we believe that the Secretary of State's powers to appoint its members needs to be limited. We therefore recommend that the draft Bill be amended to make similar provision for appointments to the CRC as we have recommended in respect of the Integrated Agency. We accept that it is standard practice for Ministers to take powers in legislation to issue directions to public bodies, and that this does not necessarily affect the ability of such bodies to act independently. But we note that in some circumstances the remit of directions from the Secretary of State is limited in statute, as in the case of English Nature. We therefore recommend that Defra consider ways in which the power of direction relating to the CRC contained in the draft Bill could be made less all-encompassing, in order to make clear the CRC's independence from Ministers. (Paragraph 156)
30. We support the draft Bill's aim of allowing greater flexibility in the delivery of rural services, and removing obstacles to the creation of lead local delivery agents. But on the basis of the evidence we have received, from the Minister and others, we require more clarity about precisely what is envisaged before we can agree to the provisions relating to agreements with designated and non-designated bodies. We are concerned about the apparent contradiction between the Minister's oral evidence, which gave the impression that the power of delegation related to public bodies, and Defra's written evidence, which refers to private sector bodies. This confusion only serves to justify the anxieties expressed to us about the possible range of organisations which could be given responsibility for discharging the functions of Defra, and bodies within the

Defra family. Given that the draft Bill proposes that such delegations of functions shall take place with no automatic scrutiny by Parliament, it is especially important that the Government make clear its intentions. (Paragraph 166)

31. We recommend that, in its response to our Report, Defra makes a clearer statement about how each of the provisions in Clauses 41 to 43 will operate in practice, including further concrete examples; and about the role to be played by non-public bodies, and how such bodies will be held accountable for their discharge of their functions. (Paragraph 167)

The levy boards

32. We are content in principle with the proposal in Chapter 2 of Part 3 the draft Bill that Ministers be given power to amend primary legislation relating to the levy bodies by way of secondary legislation. We note that it is not unprecedented for Ministers to take power to create new public bodies by secondary legislation. However, the present proposals could involve the wholesale abolition of existing bodies, some with a long history and all of them of great importance to those who pay the compulsory levies that fund them. For this reason, we believe that an additional degree of Parliamentary scrutiny of orders made under this Chapter would be appropriate. We recommend that, in its response to our Report, Ministers give an undertaking to publish any orders made under this chapter in draft for 'pre-legislative scrutiny' by this Committee, and to allow adequate time for the Committee to carry out such scrutiny if it chooses to do so. (Paragraph 172)
33. We welcome the assurances from the Minister that there will be full consultation concerning the forthcoming review of the levy boards, but, given the potentially wide-ranging changes that might emerge from the review, we recommend that a requirement to consult be included on the face of the Bill. (Paragraph 173)
34. We have some sympathy with the points made to us about the definition of agriculture contained in Clause 50(4), and welcome Defra's readiness to consider this issue. But we recommend that any redrafting of the definition builds on the existing wording, and does not discard any of its elements. (Paragraph 176)

Order-making powers: general

35. We are content with the order-making power in Clause 11 (3), and welcome Defra's assurance that orders made under it would include safeguards to ensure any charging regimes were fair, proportionate and would only cover the costs of administration. But given that such orders concern the charging of fees, we believe that a greater degree of Parliamentary scrutiny is appropriate. We therefore recommend that such orders be subject to the affirmative resolution procedure. (Paragraph 179)
36. We are content with the order-making power in Clause 41(4) and the use of the negative resolution procedure, given the Minister's assurance that it does not allow for the abolition of any of the bodies concerned. (Paragraph 181)
37. We are content with the order-making power in Clause 44(4)(c), and welcome Defra's assurance that orders made under it would include appropriate safeguards. But given

that such orders concern the charging of fees, we believe that a greater degree of Parliamentary scrutiny is appropriate. We therefore recommend that such orders be subject to the affirmative resolution procedure. (Paragraph 183)

38. We are content that the order-making power in Clause 67 is reasonable, and that the use of the affirmative resolution procedure to amend primary legislation, and the negative resolution procedure to amend secondary legislation, is appropriate. (Paragraph 185)

The Regulatory Impact Assessment

39. We recommend that in presenting the final RIA the Government provides, for those measures within the Bill for which it is possible, comparable estimates of the costs and benefits associated with the various options presented. Failure to do so would render the RIA little more than a cost/benefit analysis of the Government's favoured options. (Paragraph 189)
40. We recommend that the final RIA contains the level of detail provided to us by the Department in response to our written questions. That is, it should contain a breakdown of estimated costs and savings with details of the assumptions used. Where there is uncertainty, figures should be presented as ranges. (Paragraph 193)

Annex

Note of visit to the Eastern Region of England, Tuesday 7 December to Wednesday 8 December 2004

Members taking part: Paddy Tipping (Chair of the Sub-Committee), Mr David Drew and David Taylor.

Littleport station

Alan Neville, Group Station Manager for West Anglia Great Northern Railways, described the improvement works that were being undertaken at Littleport station.

E-Space North

The Sub-Committee met David Archer, East Cambridgeshire District Council, before being shown round the offices at E-Space North, which is a purpose-built 'business incubator'. Presentations were made by the Leader+ delivery team at Cambridgeshire ACRE and the Littleport Partnership. Members of the Sub-Committee also had the opportunity of speaking to some tenants who had recently moved into the office complex.

Fred Brown's shop

Fred Brown showed the Sub-Committee round his clothes shop in the centre of Littleport and talked briefly about the Littleport Building Enhancement Scheme.

Discussion led by presentation from GO-East

Mike Barnes, Government Office for the East of England (GO-East), made a presentation on the Regional Rural Delivery Framework. This sparked a discussion amongst a diverse group of participants, including representatives from East of England Regional Assembly, East of England Development Agency (EEDA), Countryside Agency, English Nature, Forestry Commission, Rural Development Service and the local county councils.

Briefing on EEDA and its work

Judith Barker (EEDA) briefed the Sub-Committee on the role of the Regional Development Agencies in the Government's Rural Strategy.

Presentations on four community partnerships

Four community partnerships (Watton, Breckland, Brandon and Ely) described their work and experiences to the Members of the Sub-Committee.

Dinner with Regional Rural Affairs Forum

Representatives and guests of the Regional Rural Affairs Forum aired their views with the Sub-Committee, during a dinner hosted by Richard Powell, the Chairman of the Forum.

Meeting with Agricultural Development in the Eastern Region (ADER)

The Director of ADER, Chris Knock, described how the objective of the regionally based initiative was to help farmers to develop their businesses.

Fen End Farm

The Sub-Committee's final meeting was at Ken Kelso's farm, at Smithy Fen. He described the various projects being developed on his farm, including the expansion of an organic beef herd and his daughter's equestrian enterprise.

Formal minutes

Wednesday 16 March 2005

Members present:

Mr Michael Jack, in the Chair

Mr Colin Breed	Mr Austin
Mr David Drew	Mitchell
Mr Mark Lazarowicz	Paddy Tipping
Mr Ian Liddell-Grainger	Mr Bill Wiggin

The Committee deliberated.

Draft Report [*The Government's Rural Strategy and the draft Natural Environment and Rural Communities Bill*], proposed by the Chairman, brought up and read.

Ordered, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 193 read and agreed to.

Resolved, That the Report be the Fifth Report of the Committee to the House.

Ordered, That the Chairman do make the Report to the House.

Several papers were ordered to be appended to the Minutes of Evidence.

Ordered, That the Appendices to the Minutes of Evidence taken before the Committee be reported to the House.—(*The Chairman*).

Several memoranda were ordered to be reported to the House.

Ordered, That the provisions of Standing Order No. 134 (select committees (reports)) be applied to the Report.

The Committee further deliberated.

[Adjourned till Tuesday 22 March at Four o'clock.]

Witnesses: The Government's Rural Delivery Strategy

Tuesday 11 November 2004

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Professor Neil Ward and Terry Carroll, **Centre for Rural Economy, University of Newcastle upon Tyne**

Ev 3

Tim Rollinson and Paul Hill-Tout, **Forestry Commission**, and Baroness Young of Old Scone and Marian Spain, **Environment Agency**

Ev 20

David Marlow and Judith Barker, **East of England Development Agency**, and Dr Richard Hutchins, **Advantage West Midlands**

Ev 30

Meurig Raymond, Andrew Opie and Dr Andrew Clark, **National Farmers' Union**, and Sir Henry Aubrey-Fletcher and Nick Way, **Country Land and Business Association**

Ev 43

Tuesday 9 November 2004

Lord Haskins

Ev 50

Richard Wakeford, Margaret Clark and Professor Philip Lowe, **Countryside Agency**

Ev 63

Dr Andy Brown and Dr Mike Moser, **English Nature**

Ev 76

Tuesday 30 November 2004

Cllr Alan Melton, Cllr Pat Aston, Cllr Christine Reid and Cllr Milner Whiteman, **Local Government Association Rural Commission**

Ev 92

Neil Sinden and Tom Oliver, **Campaign to Protect Rural England**; Ruth Chambers and Donna O'Brien, **Council for National Parks**; Michael Allen, **Royal Society of Wildlife Trusts**, and Stephanie Hilborne, **The Wildlife Trusts**

Ev 107

Lord Whitty, Oona Muirhead and Robin Mortimer, **Department for Environment, Food and Rural Affairs**

Ev 121

List of written evidence: The Government's Rural Delivery Strategy

Centre for Rural Economy, University of Newcastle upon Tyne	Ev 1,7
Forestry Commission	Ev 13
Environment Agency	Ev 16,25
England's Regional Development Agencies	Ev 26,34
National Farmers' Union	Ev 37,48
Country Land and Business Association	Ev 39
Countryside Agency	Ev 57,71
English Nature	Ev 71,83
Local Government Association	Ev 86
Campaign to Protect Rural England	Ev 97,113
Council for National Parks	Ev 101,113,114
The Wildlife Trusts	Ev 104,113
Defra	Ev 115,134,147
Meat and Livestock Commission	Ev 149
Ramblers' Association	Ev 151
James Derounian	Ev 152
The Woodland Trust	Ev 153
Dr Colin Hindmarch	Ev 156
Public and Commercial Service Union, and Prospect	Ev 157
Outdoor Industries Association	Ev 160
English Heritage	Ev 162
Arts Council England	Ev 165
South East England Development Agency	Ev 166
Council for British Archaeology	Ev 166
British Ecological Society	Ev 171
Citizens Advice	Ev 173
Royal Society for the Protection of Birds	Ev 178
Family Farmers' Association	Ev 184
Countryside Alliance	Ev 184
National Trust	Ev 187

Witnesses: The draft Natural Environment and Rural Communities Bill

Tuesday 1 March 2005

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Baroness Young of Old Scone, Chief Executive, and Marian Spain, Environment Agency	Ev 197
Fiona Bryant, East of England Development Agency	Ev 205
Dr Stuart Burgess, Tracey Slaven and Brian Wilson, Countryside Agency	Ev 212
Cllr Christine Reid, Local Government Association Rural Commission , and Richard Brown, Hertfordshire County Council	Ev 220

Wednesday 2 March 2005

Sir Martin Doughty, Dr Andy Brown and Dr Tom Tew, English Nature	Ev 226
Tom Oliver, Campaign to Protect Rural England , Graham Wynne, Royal Society for the Protection of Birds , Stephanie Hilborne, The Wildlife Trusts , and Dr Hilary Allison, Woodland Trust	Ev 245
Lord Whitty, Oona Muirhead and Brian Harding, Department for Environment, Food and Rural Affairs	Ev 260

List of written evidence: The draft Natural Environment and Rural Communities Bill

Environment Agency (Appendices 18 & 18a)	Ev 195, 203
England's Regional Development Agencies (Appendix 33)	Ev 203
Countryside Agency (Appendix 12)	Ev 209
Local Government Association (Appendix 25)	Ev 217
English Nature (Appendices 5 & 5a)	Ev 224, 231
Campaign to Protect Rural England (Appendices 32 & 36)	Ev 233, 250
Royal Society for the Protection of Birds (Appendices 3 & 36)	Ev 237, 250
The Wildlife Trusts (Appendices 17 & 36)	Ev 240, 250
The Woodland Trust (Appendices 15 & 36)	Ev 243, 250
Defra (Appendices 26, 26a & 26b)	Ev 251, 257, 270
Outdoor Industries Association (Appendix 1)	Ev 284
Family Farmers' Association (Appendix 2)	Ev 284
Home-Grown Cereals Authority (Appendix 4)	Ev 285
James Derounian (Appendix 6)	Ev 286
Horticultural Development Council (Appendix 7)	Ev 286
Ramblers' Association (Appendix 8)	Ev 287
International Council on Monuments and Sites UK (Appendix 9)	Ev 288
British Mountaineering Council (Appendix 10)	Ev 291
Country Land and Business Association (Appendix 11)	Ev 293
National Trust (Appendix 13)	Ev 297
English Regions Network (Appendix 14)	Ev 305
The Forestry Commission (Appendix 16)	Ev 307
National Farmers' Union (Appendix 19)	Ev 308
Royal Institution of Chartered Surveyors (Appendix 20)	Ev 310
Milk Development Council (Appendix 21)	Ev 314
British Ecological Society (Appendix 22)	Ev 315
Council for National Parks (Appendix 23)	Ev 316
Wildlife and Countryside Link (Appendix 24)	Ev 318
Countryside Alliance (Appendix 28)	Ev 320
British Waterways (Appendix 29)	Ev 323
County Councils Network (Appendix 30)	Ev 325
Meat and Livestock Commission (Appendix 31)	Ev 327
Joint Nature Conservation Committee (Appendix 34)	Ev 328
Office of Water Services (Appendix 35)	Ev 330

List of unprinted written evidence

Additional papers have been received from the following and have been reported to the House but to save printing costs they have not been printed and copies have been placed in the House of Commons library where they may be inspected by members. Other copies are in the Record Office, House of Lords and are available to the public for inspection. Requests for inspection should be addressed to the Record Office, House of Lords, London SW1 (tel: 020 7219 3074). Hours of inspection are from 9:30am to 5:00pm on Mondays to Fridays.

Campaign to Protect Rural England (background note)

Countryside Alliance (supplementary memorandum)

County Council Network (background note)

PCS and Prospect (background note)

Reports from the Committee since 2001

Session 2004–05

Fourth Report	Waste policy and the Landfill Directive	HC 102
Third Report	The Work of the Committee in 2004	HC 281
Second Report	Dismantling Defunct Ships in the UK: Government Reply	HC 257
First Report	The draft Animal Welfare Bill	HC 52-I

Session 2003–04

Nineteenth Report	Water Pricing: follow-up	HC 1186
Eighteenth Report	Dismantling Defunct Ships in the UK (<i>Reply, HC 257 Session 2004–05</i>)	HC 834
Seventeenth Report	Agriculture and EU Enlargement (<i>Reply, HC 221 Session 2004–05</i>)	HC 421
Sixteenth Report	Climate Change, Water Security and Flooding (<i>Reply, HC 101 Session 2004–05</i>)	HC 558
Fifteenth Report	The Departmental Annual Report 2004 (<i>Reply, HC 100 Session 2004–05</i>)	HC 707
Fourteenth Report	Sites of Special Scientific Interest: conserving the Jewels of England's Natural Heritage (<i>Reply, HC 1255</i>)	HC 475
Thirteenth Report	Bovine TB (<i>Reply, HC 1130</i>)	HC 638
Twelfth Report	Reform of the Sugar Regime (<i>Reply, HC 1129</i>)	HC 550-I
Eleventh Report	GM Planting Regime (<i>Reply, HC 1128</i>)	HC 607
Tenth Report	Marine Environment: Government reply to the Committee's Report	HC 706
Ninth Report	Milk Pricing in the United Kingdom (<i>Reply, HC 1036</i>)	HC 335
Eighth Report	Gangmasters (follow up) (<i>Reply, HC 1035</i>)	HC 455
Seventh Report	Implementation of CAP Reform in the UK (<i>Reply, HC 916</i>)	HC 226-I
Sixth Report	Marine Environment (<i>Reply, HC 706</i>)	HC 76
Fifth Report	The Food Standards Agency and Shellfish (<i>Reply, HC 601</i>)	HC 248
Fourth Report	End of Life Vehicles Directive and Waste Electrical and Electronic Equipment Directive (<i>Reply, HC 557</i>)	HC 103
Third Report	Caught in the net: by-catch of dolphins and porpoises off the UK coast (<i>Reply, HC 540</i>)	HC 88
Second Report	Annual Report of the Committee 2003	HC 225
First Report	Water Pricing (<i>Reply, HC 420</i>)	HC 121

Session 2002–03

Eighteenth Report	Conduct of the GM Public Debate (<i>Reply, HC 443 Session 2003-04</i>)	HC 220
Seventeenth Report	Biofuels (<i>Reply, HC 270 Session 2003-04</i>)	HC 929-I
Sixteenth Report	Vets and Veterinary Services (<i>Reply, HC 974 Session 2003–04</i>)	HC 703
Fifteenth Report	New Covent Garden Market: a follow-up (<i>Reply, HC 123 Session 2003-04</i>)	HC 901
Fourteenth Report	Gangmasters (<i>Reply, HC 122 Session 2003-04</i>)	HC 691
Thirteenth Report	Poultry Farming in the United Kingdom (<i>Reply, HC 1219</i>)	HC 79-I
Twelfth Report	The Departmental Annual Report 2003 (<i>Reply, HC 1175</i>)	HC 832
Eleventh Report	Rural Broadband (<i>Reply, HC 1174</i>)	HC 587
Tenth Report	Horticulture Research International (<i>Reply, HC 1086</i>)	HC 873
Ninth Report	The Delivery of Education in Rural Areas (<i>Reply, HC 1085</i>)	HC 467
Eighth Report	The Future of Waste Management (<i>Reply, HC 1084</i>)	HC 385
Seventh Report	Badgers and Bovine TB (<i>Reply, HC 831</i>)	HC 432
Sixth Report	Rural Payments Agency (<i>Reply, HC 830</i>)	HC 382
Fifth Report	The Countryside and Rights of Way Act 2000 (<i>Reply, HC 748</i>)	HC 394
Fourth Report	Water Framework Directive (<i>Reply, HC 749</i>)	HC 130
Third Report	The Mid-term Review of the Common Agricultural Policy (<i>Reply, HC 615</i>)	HC 151
Second Report	Annual Report of the Committee 2002	HC 269
First Report	Reform of the Common Fisheries Policy (<i>Reply, HC 478</i>)	HC 110

Session 2001–02

Tenth Report	The Role of Defra (<i>Reply, HC 340, Session 2002-03</i>)	HC 991
Ninth Report	The Future of UK Agriculture in a Changing World (<i>Reply, HC 384, Session 2002-03</i>)	HC 550
Eighth Report	Hazardous Waste (<i>Reply, HC 1225</i>)	HC 919
Seventh Report	Illegal Meat Imports (<i>Reply, HC 1224</i>)	HC 968
Sixth Report	Departmental Annual Report 2002 (<i>Reply, HC 1223</i>)	HC 969
Fifth Report	Genetically Modified Organisms (<i>Reply, HC 1222</i>)	HC 767
Fourth Report	Disposal of Refrigerators (<i>Reply, HC 1226</i>)	HC 673
Third Report	Radioactive Waste: The Government's Consultation Process (<i>Reply, HC 1221</i>)	HC 407
Second Report	The Countryside Agency (<i>Reply, HC 829</i>)	HC 386
First Report	The Impact of Food and Mouth Disease (<i>Reply, HC 856</i>)	HC 323