



**ENGLAND
RURAL DEVELOPMENT PROGRAMME**

2000 – 2006

ANNUAL REPORT 2000

Department for Environment,
Food and Rural Affairs
June 2001

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ANNUAL REPORT 2000

INTRODUCTION

1. This is the first annual report on the England Rural Development Programme (ERDP), covering the calendar year 2000 for the period 1 February to 31 December. It is submitted to the European Commission in accordance with Article 48(2) of Regulation 1257/1999 and Article 41 of Regulation 1750/1999.

2. This report covers progress in implementing the Programme approved by European Commission Decision C (2000) 3003 on 11 October 2000.

3. The Programme was launched by the Minister for Agriculture, Fisheries and Food in October 2000. It implements the measures in Regulation 1257/1999 as set out in the table below through both pre-existing schemes introduced under earlier Regulations (e.g. under Regulation 2078/92) and the new schemes introduced under the Programme – the Rural Enterprise Scheme, the Vocational Training Scheme, Processing and Marketing Grant and the Energy Crops Scheme all of which opened to applicants only in October. As a consequence the progress described in this report primarily focusses on the agri-environment schemes, forestry, and support for less favoured areas which had been in operation since the beginning of the year.

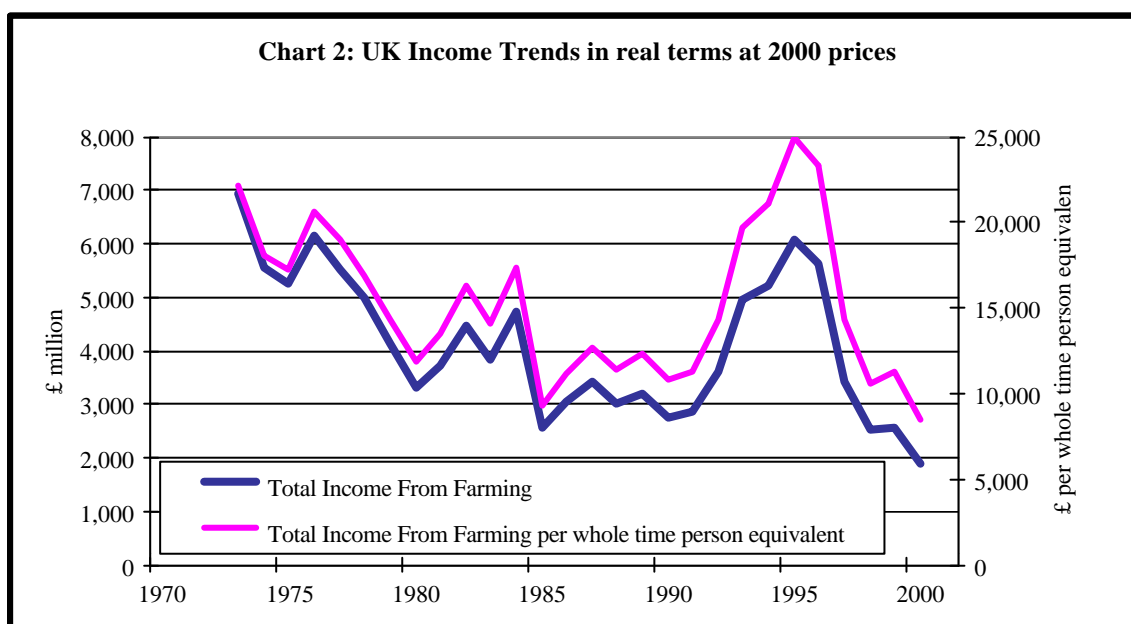
<i>Measures</i> (with reference to the Regulation)	<i>Schemes in England</i>
Investment in agricultural holdings (Articles 4 -7)	Rural Enterprise Scheme Energy Crops Scheme (Miscanthus)
Training (Article 9)	Vocational Training Scheme
Less Favoured Areas (Articles 13-21)	Hill Livestock Compensatory Allowances (2000) Hill Farm Allowance Scheme (2001 – 2006)
Agri-environment (Articles 22-24)	Countryside Stewardship Scheme Environmentally Sensitive Areas Scheme Organic Farming Scheme
Processing and marketing of agricultural products (Articles 25 - 28)	Processing and Marketing Grant
Forestry - Afforestation of agricultural land (Article 31) - Other forestry measures (Article 30)	Farm Woodland Premium Scheme Woodland Grant Scheme Energy Crops Scheme (Short Rotation Coppice (SRC)), establishing SRC producer groups
<u>Article 33¹</u> - Setting-up of farm relief and farm management services - Marketing of quality agricultural products - Basic services for the rural economy and population - Diversification of agricultural activities etc - Agricultural water resources management - Development and improvement of infrastructure etc. - Encouragement for tourist and craft activities - Renovation and development of villages - Protection of the environment in connection with agriculture	Rural Enterprise Scheme

¹ Each of the indents of Article 33 is defined as a measure under the Regulation but they will be implemented in England, in conjunction with agricultural diversification under Article 4-7, under one scheme – the Rural Enterprise Scheme.

A) CHANGES TO CONDITIONS, TRENDS AND POLICIES

State of the agricultural industry

4. One of the most significant trends for English farmers in 2000 has been the continued fall in farm incomes. UK Total Income from Farming (TIFF) is estimated to have fallen by 25% in comparison with its 1999 level (see Chart 2²). Estimates show that in real terms it is £696 million or 27 % lower, but this masks great sectoral or regional variation. In real terms TIFF doubled between 1990 and 1995 before falling back by approximately 70% between 1995 and 2000. The income per person fell by 25% in real terms between 1999 and 2000³. Following a fall of nearly 60% between 1997/98 and 1999/00 hill farm incomes had been forecast to rise by some 50% in 2000/01 from the 1999/00 level; however the full impact on hill farm incomes of the outbreak of Foot and Mouth Disease in the UK in February 2001 will not become clear for some time.



Source: MAFF Aggregate Agricultural Account

5. Chart 5 in Annex 1 provides an updated picture of changes in productivity. Labour productivity increased by 4.8 % in 2000 reflecting a drop in annual work units. Total factor productivity increased by 2.6 % in 2000.

6. The UK agricultural labour force fell to 556,000 during 2000 - a fall of 40,000 compared with 1999 of which about 24,000 labour units were in England. The table below clearly illustrates the high proportion of farm workers leaving agriculture – a higher proportion than in previous years.

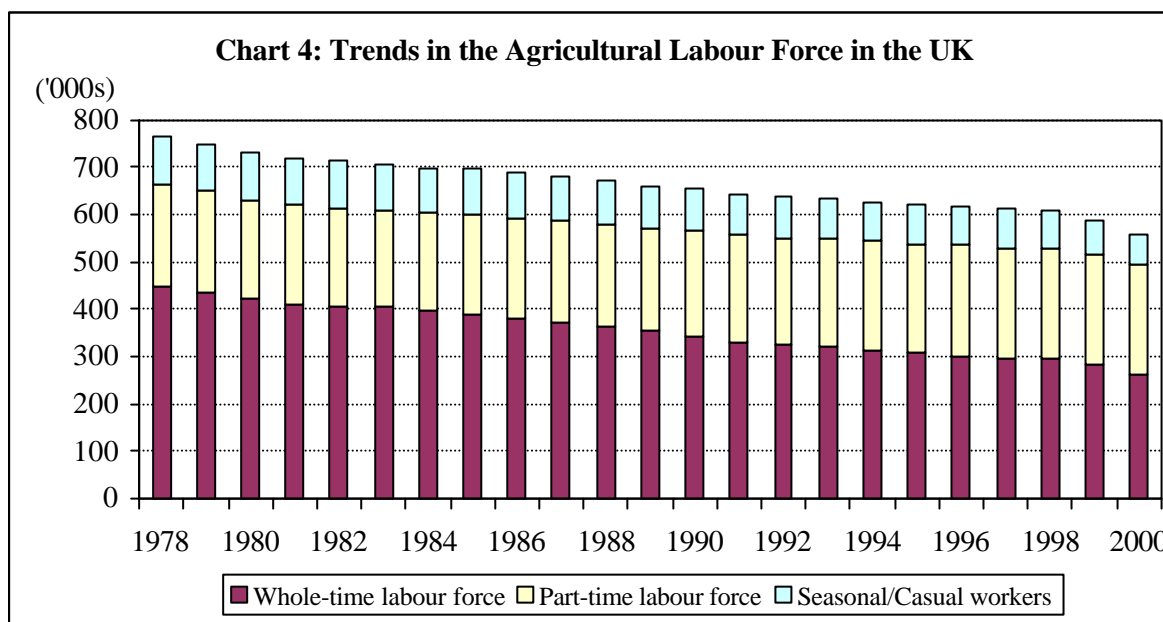
² Chart number refers to chart number in England Rural Development Programme

³ Total Income from Farming per whole time person equivalent

Table A: Agricultural labour in England, 2000

England	Farmers	Farm workers
1999	221,600	176,100
2000	220,300	153,600

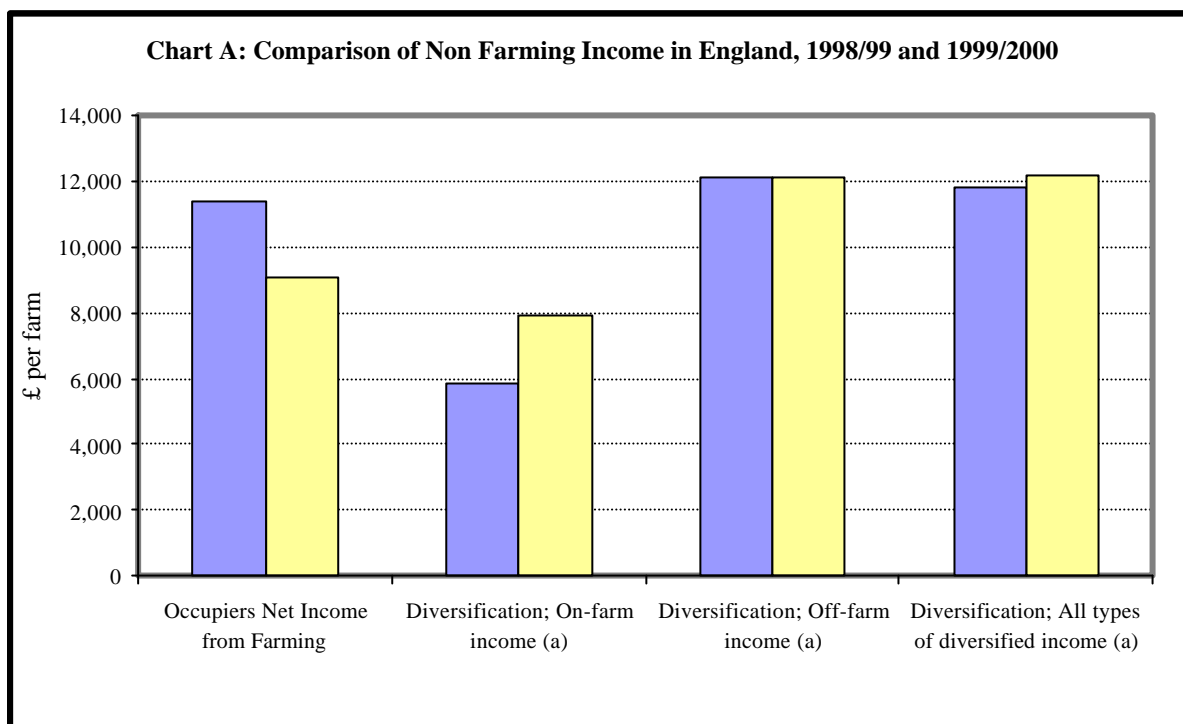
Source: MAFF June Agricultural and Horticultural Census



Source: MAFF, June Agricultural and Horticultural Census

Note: Results from 1998 onwards are not comparable with previous years, owing to changes in the labour questions on the June Census in England, Wales and Scotland.

7. The fall in farm incomes has been accompanied by an increase in the proportion of farms which have diversified their businesses, some 4,000 farms having diversified for the first time over the year. On average, diversification activities now account for two thirds of total farming income for those farms with diversified income (a rise from one half in 1997/98). This varies between a third and one half for large farms and nearly 100% for small farms. Chart 6 and Tables 5 and 6 in Annex 1 provide more detail. Chart A below shows that while income from farming as a whole has fallen, for those farms that have diversified, income from diversification has increased.



Source: MAFF, Farm Business Survey; incomes from investments, pensions and social payments are not included.

Notes: (a) Figures for diversified income relate to a small sample of farms and should be treated with caution.

(b) Each pair of income figures relate only to those farms with such income in both years.

Environment

8. The Countryside Survey 2000 (CS2000) provides information about changes in the English countryside⁴ as a whole in the period 1990-98 and updates two of the UK Government's Quality of Life Counts (QOLC) indicators on landscape features and plant diversity.

9. The QOLC indicator for landscape features - hedges, walls and ponds – shows that in Great Britain the declines in lengths of hedges and walls reported for the 1980s have been halted. In the case of hedges in England and Wales, there is some evidence that losses in the early 1990s have been reversed. Lowland ponds show a small net increase.

10. The QOLC indicator for plant diversity shows that many of the deleterious changes in species richness recorded in Great Britain in the 1980s have been reduced. Declines in species richness in the 1990s have been mostly associated with the vegetation found in managed agricultural grasslands, field boundaries and verges. The continued decline in the diversity of the least agriculturally improved grasslands is a matter of concern. There have also been marked trends towards increasing levels of nutrient availability and conditions which favour tall, competitive plants.

⁴ In most cases analysis has only been completed for England and Wales. Results specific to England are indicated.

11. The general conclusion from these very broad national indicators is that negative trends in some key components of countryside quality have been slowed or halted during the 1990s. But the Survey also looks in more detail at individual broad habitat types and summarises the main findings in ten ‘headline results’:

- i) Plant diversity increased in arable fields, especially in the margins of the fields, by as much as 38% in some arable field boundaries in England and Wales.
- ii) Plant diversity continued to decline in the least agriculturally improved grasslands in Great Britain, falling in some meadows by 5%, and including the loss of meadow species important for butterflies.
- iii) Following marked losses in the 1980s, there was no significant difference between the 1990 and 1998 estimates of hedgerow length in England and Wales. There is some evidence that losses were reversed during the 1990s.
- iv) Road verges showed evidence of increasing nutrient levels and losses in plant diversity, the latter falling by 8% in some road verges in England and Wales.
- v) Broadleaved woodland expanded by 4% in England and Wales between 1990 and 1998. The total area of conifer woodland in the UK was unchanged.
- vi) More broadleaved woodland was created on formerly developed land than was lost to new development in Great Britain in the 1990s.
- vii) The area of semi-natural acid and calcareous grasslands respectively fell by 11% and 19% in the UK. There was evidence of increasing nutrient levels in dwarf shrub heath and bog.
- viii) The number of lowland ponds increased by about 6% between 1990 and 1998 in Great Britain.
- ix) The biological quality of streams and small rivers improved in Great Britain. Over 50% of sites improved in quality and only 2% were downgraded.
- x) Streamside vegetation became more overgrown, and plant diversity decreased by 7% in England and Wales. Fen, marsh and swamp expanded by 27% in England and Wales.

12. Many observed changes require further investigation - for example the increase in fen, marsh and swamp habitat, particularly in the uplands, may be due to abandonment of land drainage systems, causing the spread of rushes.

13. There has been a small increase in the area of land under designation as Sites of Special Scientific Interest (SSSIs) or as RAMSAR sites but no overall change in the percentage land area. Table 14 in Annex 1 provides a breakdown of designations.

14. In 1999/2000, 43% of SSSIs were in favourable condition (i.e. their environment was being well managed and was not deteriorating)⁵. About 16% of sites were in unfavourable but recovering condition, 11% were in a poor state and declining and the remaining 30% were showing no change to their unfavourable condition. Of particular concern is the continuing poor condition of large areas of upland SSSIs, with over 70% of upland calcareous grassland and over 60% of upland heathland in unfavourable condition. Over 75% of neutral grassland is in favourable condition; however, neutral grassland in the uplands is likely to be enclosed and therefore not subject to the heavy grazing pressure of typically unenclosed calcareous grassland and heathland.

15. On average, populations of wild birds in the UK and populations of farmland and woodland birds increased in 1999 - the first annual increase since 1995. The upturn is thought to be mostly due to the mild weather in the 1998/9 winter and wild bird populations, especially farmland birds, are still well below levels in the mid 1970s. The latest figures on populations of rare birds show an increase, with populations having, on average, doubled over the last 30 years. The increase is thought to be due in part to concerted conservation efforts. Land management under the Countryside Stewardship Scheme has made a major contribution to reversing the decline of curlew and stone curlew. Nevertheless, the results of the most recent Breeding Birds Survey (BBS), published in early 2000, illustrate the continuing long-term decline in abundance of a range of common and widespread birds in the UK. Further details of the 1999 BBS are set out in the Appendix to Annex 1.

Socio-economic changes

16. Since the ERDP was published, new information has become available through the Rural Services Survey 2000⁶ and an analysis of rural deprivation⁷. Both of these will help to provide a baseline against which to assess rural socio-economic trend data in years to come.

17. The Rural Services Survey will be undertaken in full every three years (by means of a parish questionnaire) and it is hoped that information on some essential

⁵ English Nature Annual Report 1 April 1999 – 31 March 2000

⁶ Rural Service Survey 2000, undertaken by the South-East Regional Research Laboratory, Birkbeck College and MVA Ltd for the Countryside Agency (due to be published 2001)

⁷ Rural Deprivation – an analysis of the indices of deprivation 2000 for rural areas, Chandola et al, Dept. of Social Policy and Social Work, University of Oxford, report to the Countryside Agency

rural services, such as measuring household access to services, will be updated annually. The first full survey results will be available in 2001. Preliminary district level analysis of the survey shows that, for most districts/unitary authorities, more than 75% of households are within 5 km of a bank or building society; in some remoter areas, such as parts of Lincolnshire and Herefordshire, only between 45-75% of households are within 5 km of such services (see map 1 in Annex 1).

18. The analysis of rural deprivation has been undertaken using data from the national Index of Multiple Deprivation⁸ which includes indices of housing, health, education, income, employment and services. It will be updated regularly. Table B shows that, for five out of six component indicators, people in rural wards are less deprived than their urban counterparts. There are, however, pockets of rural deprivation in all of these categories. On average, rural dwellers have better health, higher levels of education and incomes, lower registered unemployment and higher levels of part-time and self employment, but poor access to services. A series of maps in the report illustrates the wide geographical difference. Map 2 in Annex 1 shows distribution by ward of the Index of Income Deprivation.

Table B: Rural deprivation and the Index of Multiple Deprivation

(lower index number indicates higher level of deprivation)

Ward types ^a	Income	Employment	Health	Education	Housing	Access to services	IMD
Non rural (4388 wards)	3253	3360	3436	3397	3209	5723	3436
Rural (4076 wards)	5224	5109	5029	5070	5270	2594	5028

^a(Oxford/Countryside agency classification)

Source: Chandola et al.

Policy announcements

19. As a result of the trends and conditions set out above and as part of the government's long term strategy for agriculture, an Action Plan for Farming was launched on 30 March 2000 supported by £200 million of new government funding. The Action Plan provides, inter alia, short-term financial relief and longer-term support for business restructuring and development, improved marketing and food chain co-operation, training and innovation. A number of the measures in the Plan are UK-wide, while others are focused on England. These measures are in addition to those in the ERDP, which provides the basic underpinning for the Action Plan. The measures are listed in Annex 2. A further £300 million was subsequently provided for the Action Plan in the Spending Review 2000 settlement.

⁸ The Index of Multiple Deprivation was commissioned by DETR from Chandola et al., Dept. of Social Policy and Social Work, University of Oxford

The Rural White Paper

20. The government's review of its overall policy for rural areas was published on 28 November 2000 in the Rural White Paper *Our countryside: the future – A fair deal for Rural England*. The White Paper sets out the government's aim and vision for rural and countryside policy (see Section 6 of the ERDP (paragraph 6.1.2)).

21. The government's aim is to sustain and enhance the distinctive environment, economy and social fabric of the English countryside for the benefit of all. The vision is of:

- a living countryside, with thriving rural communities and access to high quality public services;
- a working countryside, with a diverse economy giving high and stable levels of employment;
- a protected countryside in which the environment is sustained and enhanced, and which all can enjoy;
- a vibrant countryside which can shape its own future and with its voice heard by Government at all levels.

22. The Rural White Paper builds on the cross-departmental review of rural and countryside programmes and recommendations made by the House of Commons Select Committee for the Environment, Transport and Regional Affairs. Measures introduced have been informed by an extensive consultation process to which over 2,000 responses were received, a rural sounding board and a series of meetings with rural stakeholders.

23. To help achieve this vision the White Paper allocated £1 billion on rural programmes over the next 3 years (2001 – 2004). This is in addition to spending under the ERDP and funding under the Action Plan for Farming mentioned above.

24. New measures announced in the Rural White Paper that are relevant to the ERDP priorities are set out in Annex 2.

Other issues

25. Severe flooding affected many parts of England during autumn 2000, especially parts of the South East and areas close to the River Severn and to the Yorkshire Ouse. For the UK as a whole, the autumn of 2000 was the wettest since records began. The widespread flooding led to harvesting difficulties. In some regions up to 50% of the potato crop was wasted. The flooding and condition of the land has also meant that newly established crops were damaged or autumn planting prevented. In some areas e.g. Yorkshire and the Humber, livestock were drowned. The government announced that where farmers were unable to comply with rules or deadlines under the Arable Area Payment Scheme they will be allowed to harvest crops later where normal operations have been delayed, or to set aside land where

autumn crops have been lost or it would not be possible to sow spring crops. In the West Midlands region the wet conditions did however attract significant numbers of wintering waterfowl such as teal, wigeon, pintail and lapwing, which traditionally make use of floodplain habitats. The East of England region reported an outbreak of Classical Swine Fever (CSF) which began in August. Area movement restrictions were applied until the end of December when the outbreak ended. About 75,000 pigs were slaughtered as part of the disease control procedures. There have been consequent impacts on the cereal production industry and in particular on combined arable/pig enterprises.

26. Planning permission has been granted for a bio-mass fuel power station of 5.5 MW at Eye, Suffolk in the East of England region. The station is due to be commissioned in 2002. Planning permission has also been granted for a 36MW power station at Corby in East Midlands region. Not all regions, however, are able to take up the Energy Crops Scheme immediately as the lack of biomass heat and/or power producers in those regions means that there is no market for the crop. Regional Renewable Energy Assessments are being carried out which will help to build on concerns in relation to climate change and to diversifying agricultural production.

B) PROGRESS ON MEASURES AND PRIORITIES

Introduction

27. This section reports on the progress on measures and priorities, with respect to their operational and specific objectives, expressed as quantitative indicators.

28. The ERDP was approved by the European Commission and launched by Government in October 2000. As a result it has not been possible to submit a complete set of data for the Commission's common indicators for monitoring Rural Development Programmes (Commission Document VI/12006/00) or the ERDP targets and indicators. With the exception of the Vocational Training Scheme, no agreements were signed during 2000 for any of the new schemes under the Programme – the Rural Enterprise Scheme, Processing and Marketing Grant and the Energy Crops Scheme.

29. The Commission acknowledged in its accompanying note to Commission Document VI/12006/00 that there would be valid reasons why some data would not be available in the first year because of the need to set up and develop the necessary systems. Management and reporting systems are currently being developed and progress is described in Section C.

30. Interest in the new schemes has been high. There were some 14,000 'hits' on the ERDP website and many information packs (up to 2,500 in one region) were requested and dispatched. By the end of December 2000, the following applications had been received, but almost none had been approved:

Scheme	Number of Applications Received by 31 December 2000
Investment in Agricultural Holdings (Articles 4-7)	
Energy Crops Scheme (Miscanthus)	0
Rural Enterprise Scheme (RES) – Agricultural Diversification	10
Training (Article 9)	
Vocational Training Scheme	76
Improving the Processing and Marketing of Agricultural Products (Articles 25-28)	
Processing and Marketing Grant	14
Forestry (Articles 30-32)	
Energy Crops Scheme (Short Rotation Coppice)	15
Promoting the Adaptation and Development of Rural Areas (Article 33) (RES) *	
Setting up of farm relief and farm management services	1
Marketing of quality agricultural products	12
Basic services for the rural economy and population	9

* Some applications are double counted because they cover more than one measure under RES

Renovation and development of villages and protection and conservation of the rural heritage	8
Diversification into non-agricultural activities	46
Agricultural water resources management	0
Development and improvement of infrastructure connected with the development of agriculture	3
Encouragement for tourist and craft activities	25
Protection of the environment in connection with agriculture, forestry & landscape conservation as well as the improvement of animal welfare	9

31. The Organic Farming Scheme was temporarily closed to new applicants during 2000 and no new agreements were signed. The Scheme was reopened on 2 January 2001.

32. The Environmentally Sensitive Area Scheme, the Countryside Stewardship Scheme (both under the Agri-environment measure), the Farm Woodland Premium Scheme and the Woodland Grant Scheme (both under the Forestry measure) and support for Less-Favoured Areas all continued to operate throughout 2000. The Arable Stewardship Scheme closed to new applications after 31 March 2000, and is being evaluated with a view to rolling forward successful options within Countryside Stewardship, subject to Commission approval via a future formal Programme modification.

Progress during 2000

33. The tables illustrating progress for the pre-existing schemes against the targets set out in the ERDP are at Annex 3.

34. The tables setting out progress against the Commission's common monitoring indicators are at Annex 5. The table below sets out the key data for the pre-existing schemes.

Scheme	Agreements/claims	Area covered ha.	Value m.euro	Value £m
HLCA 2000	12,345 ^a	1,400,000	72	44
Afforestation and other forestry measures	1352	14,080	19.3	11.8
- of which FWPS	555	2,438	1.0	0.63
CSS ^b	2,072	79,598	22.8	13.9
ESAs	500	28,242	4.1	2.5

^a Claims

^b Processing of CSS applications received by 31 December 2000 continued into 2001.

C) ACTION TAKEN TO ENSURE HIGH QUALITY AND EFFECTIVE IMPLEMENTATION

Introduction

36. This section describes action taken by the management authority (MAFF) to develop or enhance systems to support high quality and effective implementation during 2000. Implementation is taken to mean processing applications up to the point of making payments, implementation of horizontal requirements e.g. Good Farming Practice (GFP), monitoring and evaluation.

37. The administration of the ERDP schemes is described in Section 12 of the ERDP. In 2000, it was undertaken by MAFF's Regional Service Centres (RSCs) with technical support from the Farming and Rural Conservation Agency (FRCA). Propriety and conformity with the regulations was overseen by MAFF's CAP Schemes Management Division and Audit, Consultancy and Management Services Division.

General background

38. In addition to the work on systems development, a number of activities were carried out in the second half of 2000 which contributed to the effective operation of the ERDP and the development of the administrative systems to support implementation. These included:

- extensive *publicity* to inform potential beneficiaries about the ERDP schemes, including a major exhibit and seminar at the Royal Show, launch events nationally and regionally in October and promotion through letters to farmers, at national and regional shows and to individual farmers through the new Farm Business Advisory Service (set up under the Action Plan for Farming);
- preparation of *guidance notes and application forms* for the new schemes;
- *training* for both administrative and technical staff in administrative and technical systems to support administration of the new schemes e.g. detailed workshops on project assessment; and refresher courses for staff involved in rolled-forward schemes which have been modified to make them RDR compliant;
- full *analysis of the processes* needed to administer individual project applications (business process mapping) for each ERDP scheme. This was conducted with a view, where appropriate, to simplification and in anticipation of the forthcoming re-structuring of paying agency and

regional operations, where the functions of the new Rural Development Service (RDS) and the new, single Rural Paying Agency (RPA) must be clearly defined;

- development of the arrangements for the *new organisations* – RDS and RPA – in terms of management structures, staffing, defining roles and responsibilities and preparing the scheme operating instructions;
- development of an interactive *MAFF Intranet site* to hold *comprehensive instructions* for all administrative and technical staff operating ERDP schemes;
- development of a new long-term *IT system* to support the complete range of functions needed to operate the ERDP schemes from receipt of claim through to authorisation of payment;
- periodic meetings of the National Strategy Group (NSG), and the sister Regional Programming Groups (RPGs) to take forward relevant implementation issues.

39. *Rolled-forward schemes* (under Regulations 2078/92, 2080/92 and 950/97) operated in 2000 on the same annual cycle as in previous years except for the Organic Farming Scheme, which was closed. Details of agreements entered into are given at paragraph 34. The HLCA scheme operated under Regulation 2603/1999 and payments were made during February – April 2000. Where necessary, scheme administrative arrangements were modified to reflect the new requirements of the Rural Development Regulations e.g. the requirement to observe Good Farming Practice (GFP), and Article 12 of Regulation 1750/1999.

40. The *new ERDP schemes* (Processing and Marketing Grant (PMG), Rural Enterprise Scheme (RES), Energy Crops Scheme (ECS) and Vocational Training Scheme (VTS)) opened to applications in October 2000. Details of the applications received up to the end of 2000 are shown at paragraph 30. For these schemes, the development of supporting administrative arrangements and systems was an iterative process running in parallel with and developed to match the pace and needs of running the schemes. Thus, initial efforts focussed on developing scheme guidance and literature and on setting up the systems to receive and process applications. The work continued in 2001.

Horizontal requirements

41. *Good Farming Practice*: arrangements are being developed to train inspectors, with partners' participation, to recognise suspected breaches of GFP during on-farm inspections, and for reciprocal exchange of information between MAFF and enforcement agencies on suspected and actual breaches of environmental legislation by agri-environment agreement holders and by Hill Farm Allowance claimants.

Reporting on and follow up of suspected breaches of Article 12 will be included in these arrangements.

Monitoring

42. *On-going routine monitoring of individual undertakings and projects.* Agri-environment undertakings are subject to regular “care and maintenance” checks by technical staff. These are usually carried out every three to four years and involve checks to ensure that the work being carried out is in line with the agreement and to address any problems identified. These visits can be initiated by the agreement holder if advice is required. Similarly, systems are being developed to enable routine monitoring of RES, PMG and VTS projects to ensure that progress against business plan milestones and, in particular, submission of claims, is proceeding according to plan. For RES, for example, desk checks will be undertaken quarterly with site visits carried out if necessary.

43. *In-depth monitoring of a selected sample of projects/undertakings.* Each scheme is subject to on-the-spot compliance checks to ensure that all the requirements of an agreement are being met. At least 5% of beneficiaries are inspected each year based on both a random selection and risk based selection. Inspections are carried out by inspectors who are independent of those who have been involved with assessing and advising on the agreement.

44. *Monitoring at measure level.* Systems are being established for regions to provide monthly progress reports on uptake and progress with processing the regionally operated schemes – VTS, PMG and RES. These will enable HQ to assess uptake in relation to financial provision (see below) and expected outcomes and to initiate rectifying action during the year where targets are unlikely to be met. This system of monitoring will also provide data to inform the need for programme modifications. Progress with the nationally operated schemes is monitored via application, agreement and claim data.

Monitoring outputs

45. During 2000 agreement was reached on a set of common indicators for monitoring rural development programmes. These are set out in the European Commission’s working document VI/12006/00. In agreeing the indicators it was accepted that some of the information would not be available, particularly in the early part of the Programme period as Member States developed their systems for collecting some of these data. In addition to the information collected on the basis of these common indicators output information will be monitored against the targets contained in Section 7 and Annex VII of the ERDP (see Annex 3).

Financial controls

46. During 2000 work began on developing a database to enable financial monitoring, on a monthly basis, for each of the four funding streams (Community (RDR) allocation, Exchequer co-financing, actions funded by modulation receipts and the matching Exchequer co-financing). The monitoring systems were also designed to enable accounting on the basis of FEOGA, national financial and calendar years, and to distinguish between national and regionally operated schemes. The financial reporting requirements for the new long term IT system were also assessed.

Evaluation

47. The mid-term evaluation of the ERDP will be carried out in 2003. In 2000 work on evaluation focussed on discussion and agreement of the Commission's working document on common evaluation questions, criteria and indicators for rural development programmes (VI/12006/00). A bilateral with DG Agri Evaluation Unit was held in London in December 2000 and will be followed up by development of an evaluation strategy for the ERDP to ensure appropriate collection of baseline information. (This work has been delayed by the diversion of resources to Foot and Mouth disease work).

Issues arising in development of programme management arrangements

48. The development of systems to support the ERDP has identified a number of areas where current requirements are proving difficult or unduly onerous or complex to administer. In general, although member states have been given considerable discretion in the choice of measures, this is not backed up by an appropriate level of delegated responsibility for operating them. In summary, there are problems in the following areas:

- i) *annual expenditure commitments (within a 7-year programme)*: the requirement to fully utilise allocations each year or risk forfeiting unspent sums, without any roll-forward capacity or force majeure provision, is difficult to manage so precisely, particularly for the former structural measures where expenditure profiles for each project will be different and where actual expenditure is dependent on the action of individuals and progress of individual projects. This annual requirement is also somewhat inconsistent with the concept of a seven year programming process;
- ii) *measure-level reporting under Article 33*: allied to this, the requirement to manage expenditure at measure level for Article 33 (of 1257/1999) further constrains flexibility – particularly in England where the relative sums per measure are extremely small (given the overall size of the UK allocation);

- iii) *use of modulation receipts*: the requirement to track use of modulation receipts to individual recipients, and to tie those agreements to modulation receipts for ten years in some cases, reduces the operational flexibility within the programme and vastly complicates the accounting arrangements and reporting lines;
- iv) *restrictions on frequency of modifications and the notification requirements*: the restriction to one programme modification a year, coupled with the range of actions which trigger modification, also reduce the operational flexibility of running programmes. It would be helpful if either the frequency could be increased or the range of actions triggering modification could be reduced. Similarly, it is unlikely that all minor changes can be anticipated and notified to the Commission two months in advance of their implementation.

D) MEASURES TAKEN TO ENSURE COMPATIBILITY WITH COMMUNITY POLICIES

Natura 2000

49. Consultation on new sites designated under Natura 2000 was completed in December 2000 and information on the new and amended sites has since been sent to the Commission in tranches, starting at the end of January 2001. Submission was substantially completed by March 2001 in good time for the September 2001 EU Moderation meeting.

Nitrate Directive

50. Following a judgement from the European Court of Justice (ECJ) clarifying the correct interpretation of the Directive, the UK authorities will be consulting in 2001 on proposed designations for further NVZs based on surface waters and groundwaters not used for public drinking water supply. The same consultation will also cover proposed NVZs identified as a result of the four-yearly review of the initial designations as required by the Directive. It is expected that the new zones will represent a significant increase in the area covered.

Progress on Objective 1

51. The Single Programming Documents (SPDs) for the three Objective 1 areas in England (Cornwall and the Isles of Scilly, Merseyside and South Yorkshire) were approved by the European Commission in July 2000. Each SPD contains a suite of measures which are comparable with those contained in the ERDP, but which are most appropriate for the region. Each region has also set up its own monitoring committees to ensure that projects are in line with the SPDs and to consider England-wide cross-cutting themes.

Progress on Objective 2

52. In April 2000 the Objective 2 SPDs were submitted to the European Commission for negotiation. Informal agreement was reached on all SPDs in December 2000 and formal approval received in early 2001. Each SPD outlines how spending through the SPD will be co-ordinated with the ERDP.

LEADER+

53. The England LEADER+ Draft Programme was submitted to the European Commission on 17 November 2000. Formal negotiations are now being conducted with the Commission. An expressions of interest exercise was launched to assist prospective local action groups with the preparation of their local action group bids, and to provide feedback on the potential interest in the scheme.

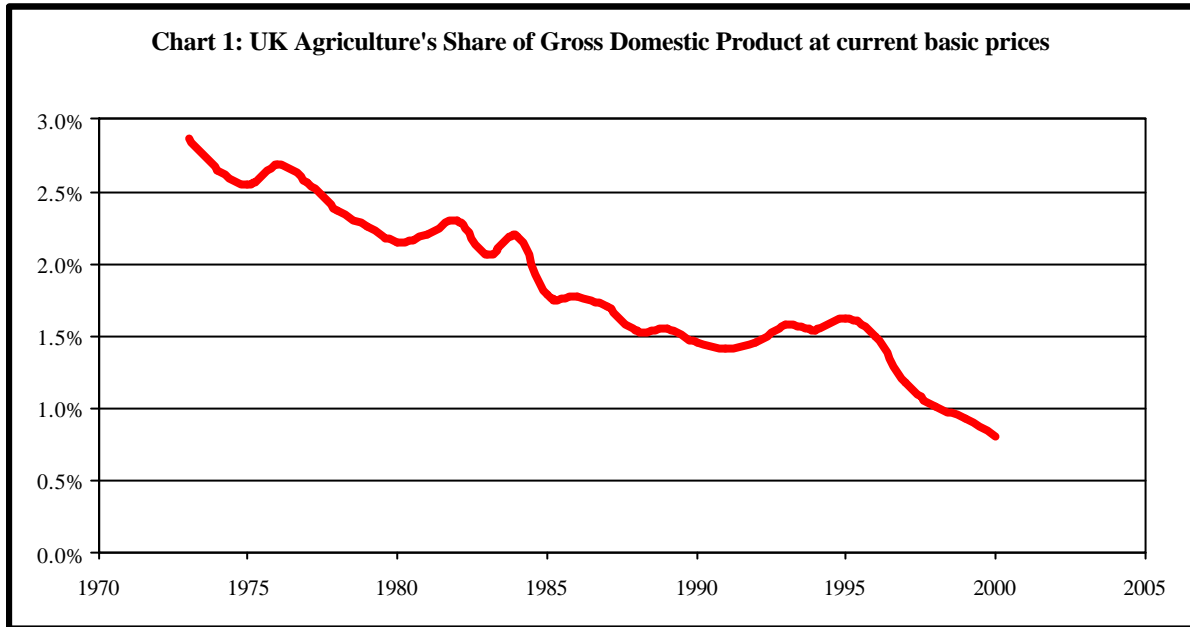
Complementarity between ERDP, Objective 1 and 2

54. During the development of both the ERDP and the Structural Funds single programming documents, joint meetings were held in order to co-ordinate processes and themes wherever possible to ensure complementarity. Monitoring Committees and Working Groups aim to ensure that there is no overlap of funding between Objective 1 and the ERDP. These bodies also ensure that cross-cutting and overarching themes common to all of these funding streams are taken into consideration when assessing project applications. MAFF is represented at all of these meetings. Similar mechanisms have been set up for Objective 2 programmes. The Scheme Implementation Plan covering operations under Objective 1 also highlights the need to consider cross-cutting themes when assessing projects.

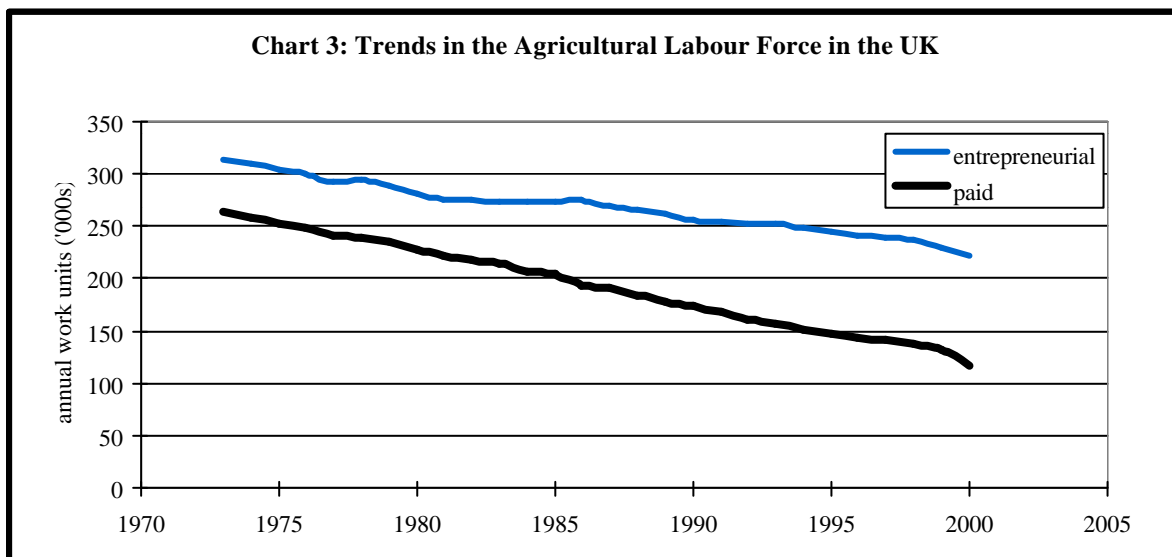
55. LEADER+ and the ERDP share some common objectives but take different approaches to achieving them. LEADER+ focuses on bottom-up, community-led partnerships developing and implementing innovative, sustainable, integrated development plans. With its emphasis on innovation, it will play an important role in informing future mainstream rural development policies such as those implemented under the ERDP. Section 4 and Annex 2 Section B of the England LEADER+ draft Programme outline the distinctive features of LEADER+ and how it will complement the ERDP and other rural development measures. Local action groups will be required to show that strategies and projects funded under LEADER+ do not merely duplicate activities supported by mainstream programmes but are complementary to them. This aspect will be closely monitored by the LEADER+ Programme Monitoring Committee and its regional Sub-committees.

ANNEX 1: UPDATED CHARTS AND TABLES

These charts and tables show data updated from those shown in the ERDP which presented the position between September 1999 and February 2000. For ease of comparison with the Programme **the table and chart numbers are the same as those in Section 5.**



Source: MAFF, Agriculture in the United Kingdom



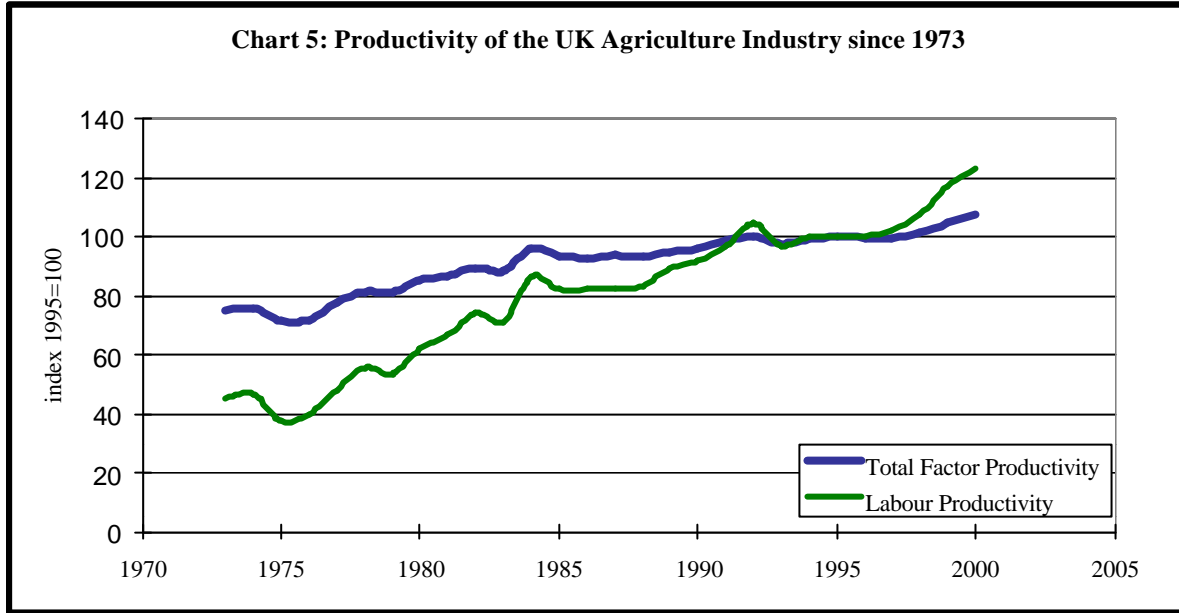
Note: figures are full time equivalents.

Source: MAFF, Agriculture in the UK

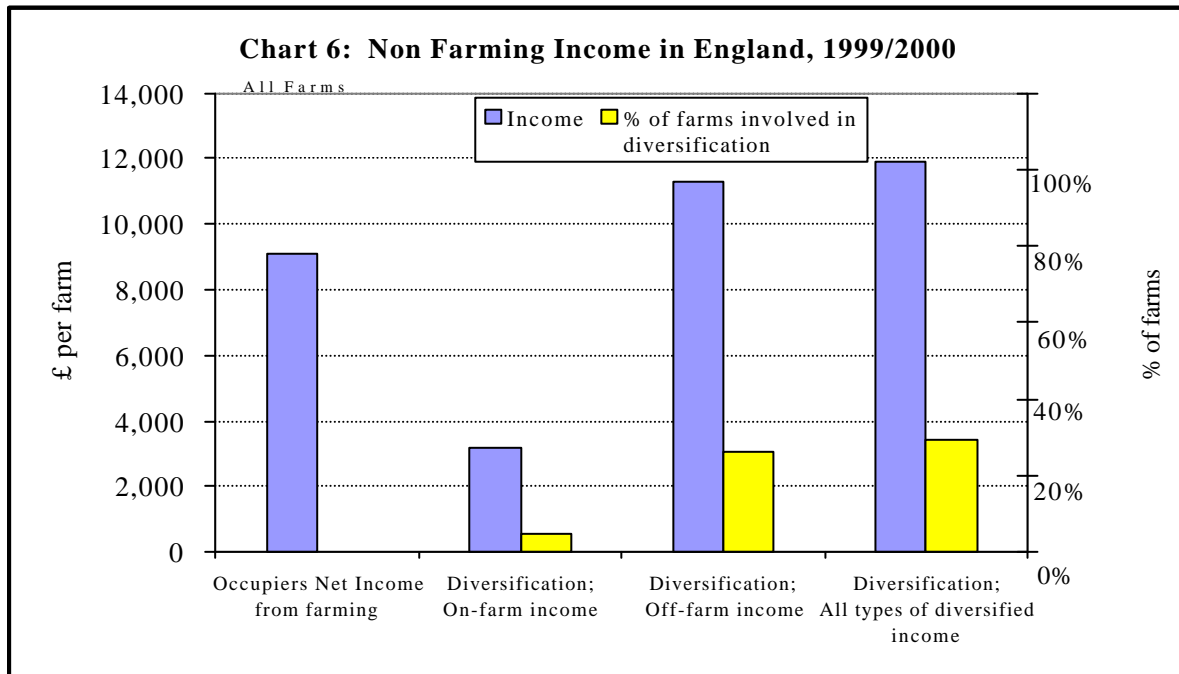
**Table 4: Trends in the Agricultural Labour Force in the UK
Numbers Engaged ('000)**

	1978	1983	1988	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Whole-time	446.0	404.1	362.5	343.4	331.8	325.6	320.6	313.8	306.9	301.8	297.6	294.6	282.3	262.2
Part-time	216.6	204.0	216.8	222.2	223.9	224.5	227.9	230.3	229.4	233.1	232.6	235.2	231.7	230.3
Seasonal/Casual	100.4	97.5	92.9	90.5	86.6	86.2	85.4	82.2	83.7	81.5	80.9	78.4	72.0	64.4

Source: June Census



Source: MAFF, Aggregate Agricultural Account



Source: MAFF, Farm Business Survey; income from investments, pensions and social payments are not included

Note: diversification in income relates only to those farms with such income

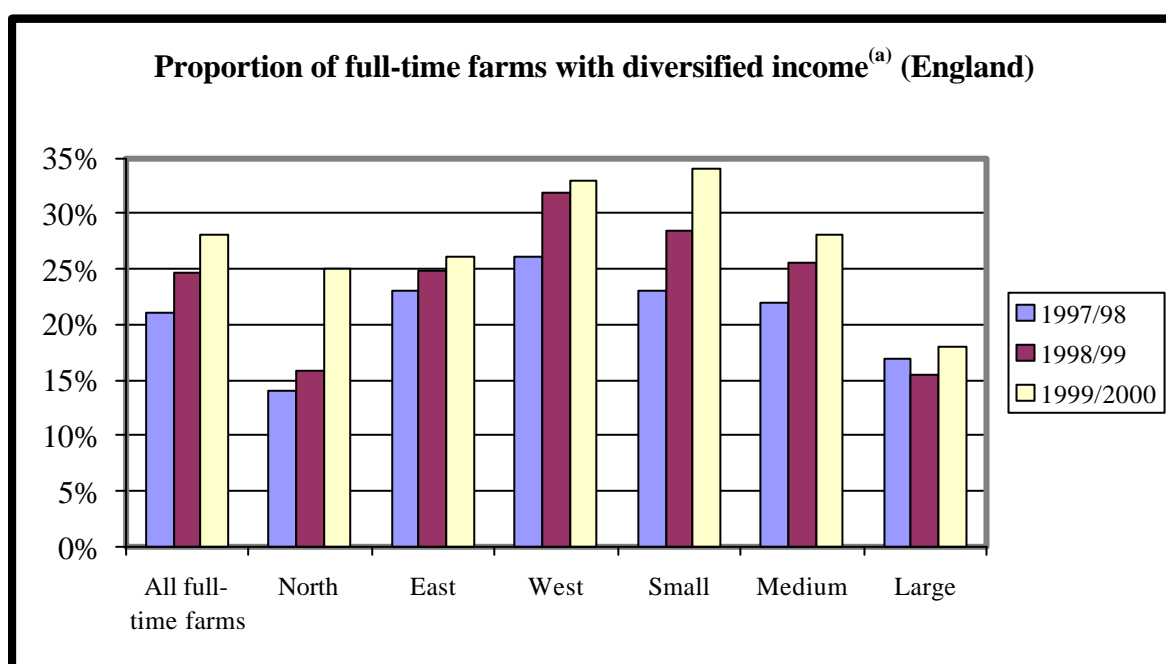
Table 5: Proportion of full-time farms with diversified income 1999/2000 (England)

	Total number of farms (a)	Farms with diversified income (b) (separately recorded)	
		Number of farms	Percentage of total
All full-time farms	69,300	19,600	28%
North	19,300	4,900	25%
East	26,300	6,800	26%
West	23,700	7,900	33%
Small	28,400	9,700	34%
Medium	24,600	7,000	28%
Large	16,300	2,900	18%

Source: MAFF, Farm Business Survey

Notes: (a) As represented by the FBS sample. This is less than the number of full-time farms recorded by the June Agricultural Census, mainly due to the exclusion of some specialist farm types from the FBS.

(b) Diversified incomes include on-farm activities and employment (and self employment) income earned off the farm by the farmer and spouse; diversified incomes do not include pensions, investments or social payments. The Farm Business Survey is believed to under-record some items of diversified income because of difficulties in some cases of separating this from main farm incomes.



Source: MAFF, Farm Business Survey

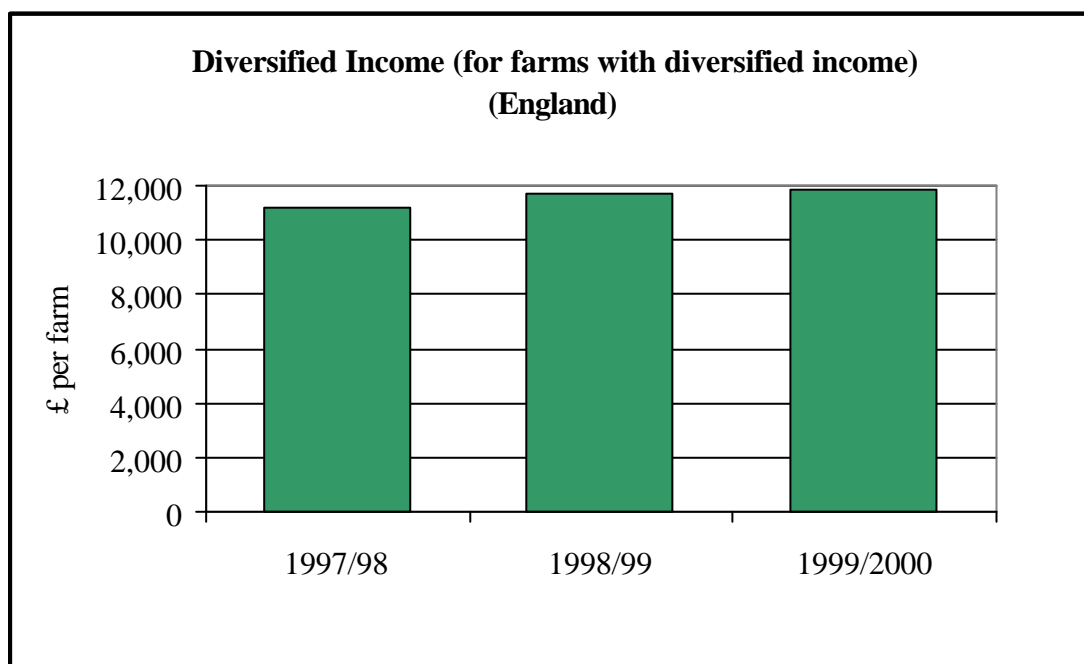
Notes: (a) Diversified incomes include on-farm activities and employment (and self employment) income earned off the farm by the farmer and spouse; diversified incomes do not include pensions, investments or social payments. The Farm Business Survey is believed to under-record some items of diversified income because of difficulties in some cases of separating this from main farm incomes.

Table 6: Comparison of farming and diversified incomes 1999/2000(England)

	Farms with diversified income (separately recorded)				
	Number of farms	Occupier's net income	Diversified income	All earned income	Diversified income as a proportion of all income
		£/farm	£/farm	£/farm	
All full-time farms	19,600	5,300	11,900	17,300	69%
North	4,900	4,300	9,300	13,700	68%
East	6,800	10,300	17,800	28,100	63%
West	7,900	1,700	8,500	10,200	83%
Small	9,700	300	12,100	12,400	98%
Medium	7,000	5,800	10,700	16,500	65%
Large	2,900	21,200	14,300	35,500	40%

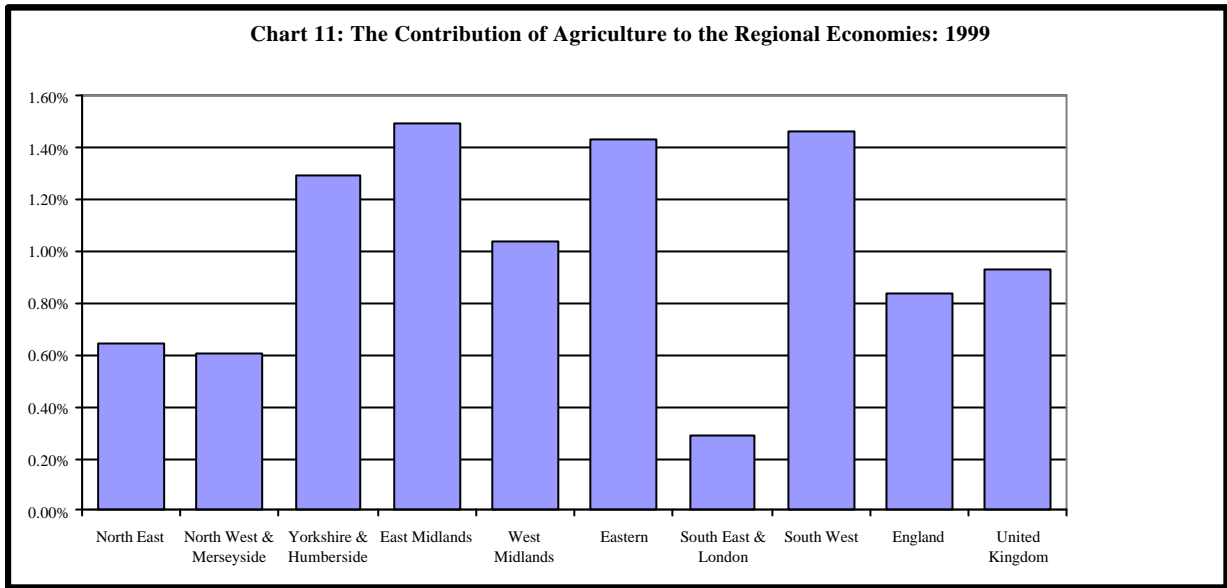
Source: MAFF, Farm Business Survey

Note: Diversified incomes include on-farm activities and employment (and self employment) income earned off the farm by the farmer or spouse; diversified incomes do not include pensions, investments or social payments. Note that the Occupier's net income figure shown here is lower than that shown in Chart 6 because that chart relates to *all farms*, including those with no diversified income.



Source: MAFF, Farm Business Survey

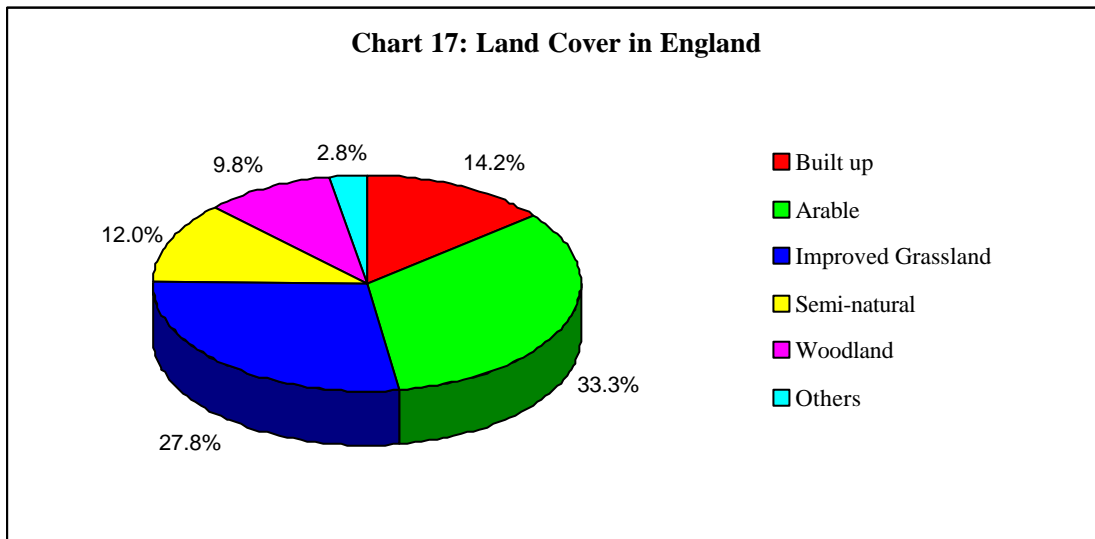
Note: Diversified income includes on-farm activities and employment (and self employment) income earned off the farm by the farmer or spouse; diversified income does not include pensions, investments or social payments.



Source: MAFF, Farm Incomes in the UK

Note 1: Agriculture's share of total regional gross value added at basic prices

Note 2: Data for 1999 are not directly comparable to data from previous years owing to methodological changes to the construction of the regional accounts. Updated historical data are not yet available.



Source: Countryside Survey 2000, Countryside Agency

Distribution of main types of land cover in England in 1999 and 2000

Land cover type	1999	2000
Built up	12.3	14.2
Arable	30.7	33.3
Improved grassland	31.4	27.8
Semi-natural	2.5	12.0
Woodland	10.6	9.8
Others	2.4	2.8

Source: Countryside Surveys 1999, 2000, Countryside Agency

Table 14: Number and extent of designated sites

(Where figures differ from those in the ERDP, the earlier figures are shown in brackets)

Designation	Number	Area ('000ha)	Percent land area
Site of Special Scientific Interest	4,088 (4,066)	1,054 (1,046)	8.0
Candidate Special Area of Conservation	148	656	5.0
Special Protection Area	80 (76)	510	3.9
Ramsar sites	75 (72)	360 (353)	2.7
National Nature Reserve	203	81	0.6
National Park	8	993	7.6
Area of Outstanding Natural Beauty	37	2,039	15.6
Common land*	7,039 (2,934)	367,000 (360)	4.0 (2.7)
Scheduled monuments	18,926 (18,179)	41	0.3

Table shows situation as recorded at end 2000

Note: designations overlap so the areas cannot be summed

N.B. Due to the small increases in area for SSSIs and Ramsar sites, the percent land area figures are unchanged.

* Registered common land units: Source 'The Common Lands of England - a Biological Survey' report for DETR, J Aitchison, K Crowther, M Ashby, L Redgrave, August 2000

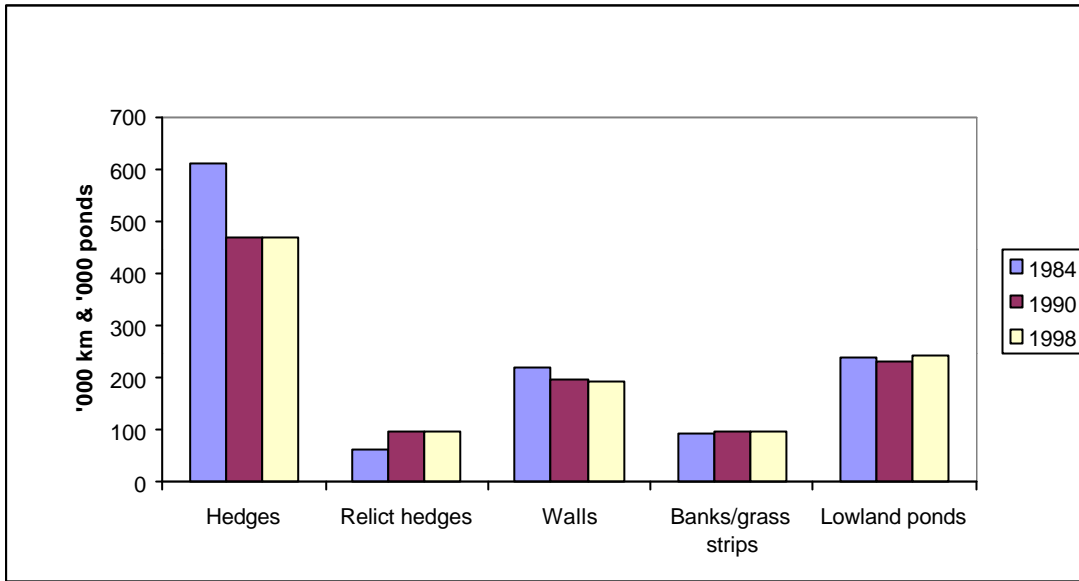
Table 15: Number and extent of landscape features in rural England

Landscape feature	Number/km (at end 1999)	Number/km (at end 2000)	Percent national total
Hedges (incl remnant hedges)	444,000	437,000	n/a
Dry stone walls	75,000	90,000	n/a
Earth banks and grass strips	31,000	51,000	n/a
Lines of trees or shrubs*	-	123,000	n/a
Lowland ponds	200,000	212,000	n/a

* new category

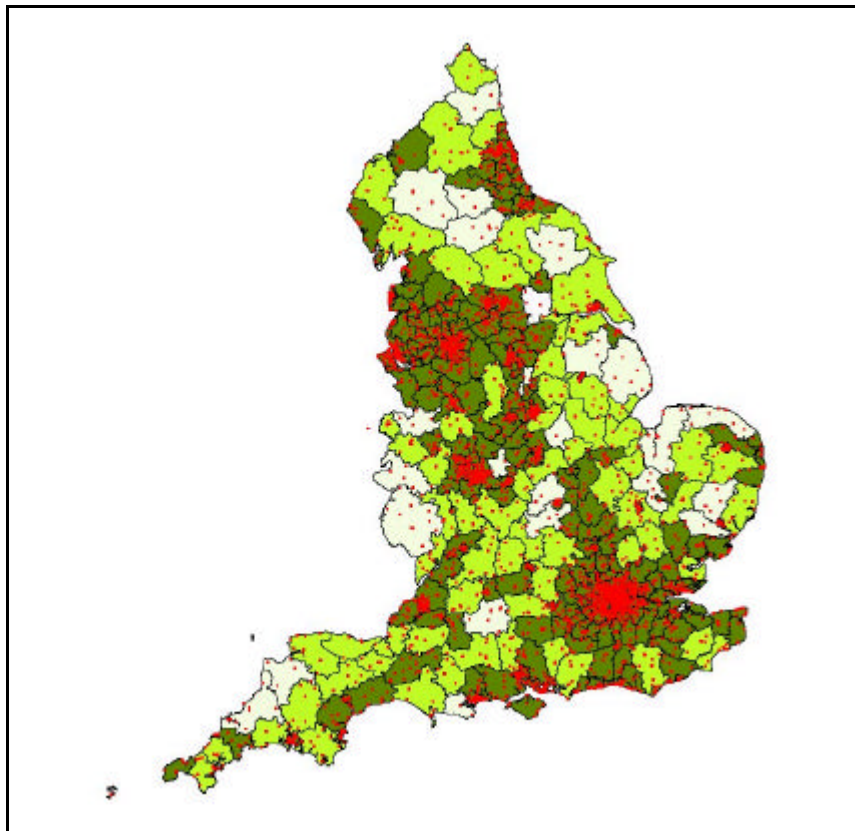
Source: Countryside Survey 2000

Chart 19: Characteristic features of farmland in Great Britain



Source: DETR, Lowland Pond Survey, Countryside Survey, Hedgerow Survey

Map 1: Proportion of households within 5 km of a bank or building society, by district



Average proportion per district

Source: SERRL (2000)

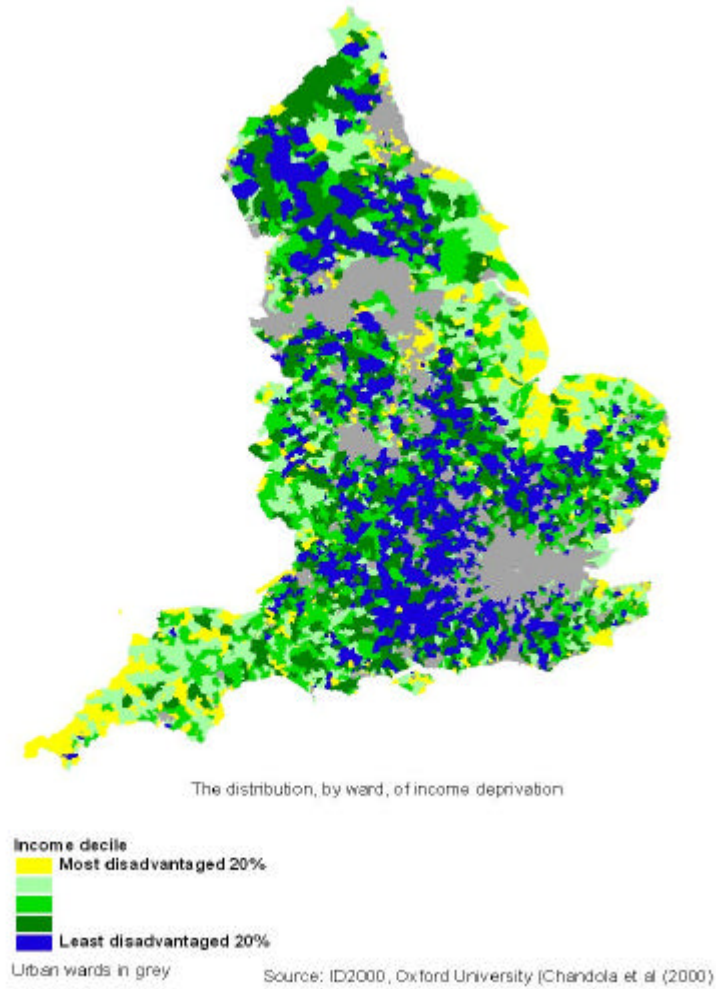
Light green 45-75%

Dark green >90%

Mid green 75-90%

Locations shown as red dots

Map 2: Index of Income Deprivation – distribution by ward



Appendix to Annex 1

British Bird Survey 1999*1. The Breeding Bird Survey 1999 (Noble, Bashford & Baillie)*

1) This report provides the 1999 results of the Breeding Bird Survey (BBS) which is funded by the British Trust for Ornithology, the Joint Nature Conservation Committee (on behalf of the Statutory Nature Conservation Agencies) and the Royal Society for the Protection of Birds. The primary aim of the survey is to provide population trends for a range of common and widespread birds in the UK. The 1999 report includes population trends for the period 1994 to 1999. Survey plots are based on 1x1 km squares of the National Grid and are chosen on the basis of a stratified, random sampling design. Volunteer observers visit their squares three times a year. The number of squares surveyed each year has increased from 1,569 in 1994 to 2,379 in 1999.

2) The 1999 report provides, for the first time, separate species trends for England and for each of the Government Office Regions (see Table A below for England data). In England, 24 bird species declined and 28 species increased significantly between 1994 and 1999. Golden Plover and Lesser Redpoll declined by more than 50%, and Grey Partridge, Snipe, Cuckoo, Tree Pipit, Yellow Wagtail, Willow Tit and Bullfinch showed moderate declines (25-50%). Increases greater than 50% were recorded for Siskin, Goldcrest and Redstart.

Table A: Population changes for farmland bird species that occurred in at least 30 squares in England over the period 1994 to 1999.

Species	Change 1994-99	Species	Change 1994-99
Kestrel	-19*	Jackdaw	29*
Grey Partridge	-45*	Rook	4
Lapwing	-3	Starling	-11*
Stock Dove	12*	Tree Sparrow	9
Wood Pigeon	2	Greenfinch	17*
Turtle Dove	-17*	Goldfinch	-4
Skylark	-20*	Linnet	-19*
Yellow Wagtail	-27*	Yellowhammer	-15*
Whitethroat	7	Reed Bunting	-16*
Corn Bunting	-22*		

The figures presented are the percentage changes in population levels for 1994 to 1999, marked with an asterisk where significant at 5% level

Source: BBS, 1999

2. *Population Monitoring of Rare Species Associated with Farmland*

Excellent progress has been made through targeted species recovery projects in reversing the declines of the Cirl Bunting and the Stone Curlew which are both rare and localised species.

i. Cirl Bunting

1) The Cirl Bunting was fairly common and widespread across southern Britain in the 1930s but its population declined slowly and then collapsed in the 1970s. In 1982 less than 170 pairs remained and the species had become confined to south-west England. By 1989 the population had fallen to just 118 pairs, mostly in south Devon. English Nature and the Royal Society for the Protection of Birds, in co-ordination with MAFF and FRCA, employed field officers to promote the adoption of appropriate land management measures through Countryside Stewardship and the tailored management of set-aside to provide unkempt hedges as nest sites, invertebrate-rich pasture for chick food and weedy winter stubbles for food for adults.

2) Sample surveys of 2x2 km squares in 1998 estimated the population at 453 territories, up from 118 in 1989 and 352 in 1993. Analysis of the data also showed that Cirl Bunting numbers increased by 83% on land entering Countryside Stewardship agreements between 1992 and 1998, compared to an increase of 2% on adjacent countryside not managed under Countryside Stewardship.

ii. Stone Curlew

1) The Stone Curlew population fell from around 1000-2000 breeding pairs in the 1930s to 300-500 pairs in 1970. In 1991 only 150 pairs were proved to breed and the species was largely restricted to two main areas; Breckland and an area of central England centred on the Salisbury Plain.

2) A combination of nest protection by field officers and farmers, improved habitat management through the Breckland Environmentally Sensitive Area and habitat creation through the provision of special nest plots on set-aside and the Countryside Stewardship scheme has contributed to the recovery of the populations. Surveys have shown an increase in breeding pairs from 215 in 1998 to 233 in 1999 to 254 in 2000.

3. *Repeat survey of breeding Lapwings (Wilson, Vickery & Browne, in press)*

The majority of Lapwings nest on farmland (arable fields and agricultural grassland). A repeat national survey of breeding Lapwings in 1998 in England and Wales estimated the England and Wales population at around 62,923 pairs. This represents a decline of 49% since the previous national survey in 1987 when the total population was reported as 123,000 pairs (Shrubbs & Lack, 1991). The losses were greatest in the south west (-64%), north west (-60%), the east Midlands (-59%), the west Midlands (-57%) and East Anglia (-53%).

4. *Declines of ground-nesting birds in two areas of upland farmland in the south Pennines (Fuller, Ward, Hird & Brown, in press)*

Two areas with similar bird communities, 27 km apart, in the south Pennines were censused several times between the 1960s and the 1980s with the most recent census undertaken in 1999. Data from all visits were used to estimate numbers of breeding territories in each year. Both areas showed large decreases in Lapwing, Snipe, Skylark, Twite and Reed Bunting.

References:

Fuller, R.J., Ward, E., Hird, D., Brown, A.F. (In press). *Declines of ground-nesting birds in two areas of upland farmland in the south Pennines of England.*

Nobel, D.G., Bashford, R.I. & Baillie, S.R. (2000). *The Breeding Bird Survey 1999*. BTO Research Report 247. British Trust for Ornithology, Thetford.

Shrubb, M., & Lack, P.C (1991). The numbers and distribution of Lapwings *V. vanellus* nesting in England and Wales in 1987. *Bird Study* 38: 20-37.

Wilson, Vickery & Brown (in press). The numbers and distribution of the Lapwing nesting in England and Wales in 1998. *Bird Study*.

ANNEX 2: POLICY ANNOUNCEMENTS – DETAILS

Action Plan for Farming

The Action Plan for Farming was launched on 30 March 2000. The Action Plan is a key element in the government's long-term strategy for agriculture. The main aims of the Plan are to:

- provide financial relief for the hardest-hit sectors and help ease the process of change that they must face;
- ensure that the England Rural Development Programme steers the industry towards its new priorities and new direction;
- meet environment and consumer safety objectives and safeguard the taxpayers' interest with the minimum administrative and cost burden, regulating only where necessary and wherever possible using a range of incentives, voluntary measures and market measures to achieve these goals;
- ensure that the government, farmers and the food industry work together to find ways to improve profitability in the industry;
- ensure that the government works tirelessly in the European Union to secure a more market-oriented CAP, to remove production controls and to simplify bureaucracy.

The measures in the Plan to support the ERDP include:

- a commitment to open all new schemes to applicants as soon as European Commission approval was received;
- publicising the ERDP schemes widely so that farmers know and understand what they offer, seeking views of all organisations with an interest in the countryside on the scheme details, discussing these through new regional and national consultation fora;
- re-opening the Agriculture Development Scheme in order to support projects intended to pump-prime future ERDP initiatives;
- writing to every farmer explaining the new schemes;
- running a seminar at the Royal Show in July 2000 where farmers described the benefits of the schemes. MAFF and FRCA experts provided advice on the schemes at agricultural shows across the country;
- forestry Commission exhibits and Ministry visits were used to draw attention to the increased support for farm woodlands;
- a commitment to introduce a free consultancy service available to any farmer who wishes to seek approval from the planning authorities for a diversification project under the ERDP;
- a commitment to produce a new advisory booklet on farm diversification, including basic guidance on planning issues and requirements;
- MAFF to take responsibility for working with the horse industry to help develop its potential for rural-based employment;

- revision of planning guidance to give clear encouragement to diversification, for example, to re-use redundant farm buildings and to encourage small-scale horse enterprises on working farms;
- support for a range of measures to give farmers better advice and support to promote diversification;
- to consult publicly on proposals to extend rate relief to other horse enterprises linked to farm premises;
- to continue support for the Rural Stress Information Network and to increase support to voluntary bodies dealing with rural stress;
- allocation of £2.3 million to create in England a European Centre for organic fruit and nursery stock.

Progress on all of the measures in the Action Plan is regularly reported in a Bulletin available on the MAFF website (www.maff.gov.uk).

Rural White Paper measures

New measures announced in the Rural White Paper that are relevant to the ERDP priorities are listed below. The references are to the Priorities set out in paragraph 6.1.5 of the ERDP.

NP1 - To facilitate the development of dynamic, competitive and sustainable economies in the English countryside, tackling poverty in rural areas.

- Increased funding for market town regeneration within the Rural Development Agencies' rural programme (£37m) expected to create (with partnership funds) a £100m programme for 100 towns, to strengthen their role as service centres and growth points, and create a national beacon towns⁹ best practice network.
- Additional aid to help secure the future of small and medium sized abattoirs in order to support organic, local market and other specialist producers and remote rural areas (£8.7m in 2001-2).
- Increasing the number of farmers' markets from 250 to 400 and expanding the Countryside Agency's 'Eat the View' programme to help 300 producers find new markets for local produce.
- Helping farmers to diversify by:
 - i) providing an additional £4 million to the Rural Development Agencies' farm buildings Redundant Building Grant scheme to continue the scheme launched in the Action Plan for two more years.

⁹ A network of 10-20 rural towns chosen by the Countryside Agency to demonstrate the range of different problems and challenges faced by market towns and the best practice in the social, economic and environmental aspects of market town revitalisation.

- ii) consulting on proposals to give farmers time limited rate relief for a wide range of new small scale diversification enterprises and on extending the agricultural exemption from rates to a range of flexible farming business arrangements (an Action Plan measure).
 - iii) revising Planning Policy Guidance 13 to clarify advice on transport aspects of rural development proposals and a new planning policy statement to encourage good quality farm building conversion proposals.
- Better regulation including a commitment to integrate on-farm inspections, extend electronic data transfer and increase the number of overseas students working on UK farms.

NP2 - To maintain and stimulate communities, and secure access to services which is equitable in all the circumstances, for those who live or work in the countryside.

- A new Rural Services Standard sets out minimum service standards and targets for 21 public service providers (hospitals, schools, police, etc.). The standard will be reviewed and updated every year by the Committee on Rural Affairs, with help from the Countryside Agency and national and regional rural stakeholder groups.
- £15m Community Service Fund to restore basic services (shops, community facilities) in villages and small settlements.
- New duty on Post Office to maintain rural network. Pilot of new services at rural Post Offices. If the pilot is successful, the scheme could be rolled out across England.
- Extension of the village shops 50% mandatory rate relief scheme to pubs, garages and shops which offer a community benefit.
- 100 new projects (cost £100m) to improve access to rural health services through mobile units or new primary care centres using video and telelinks with specialist doctors.
- New £15m fund to help Parish Councils set up taxi and community transport schemes. (This will increase the ability of rural residents without a car to access services (hospitals, shops).)
- A new programme (administered by the Countryside Agency) to help 1000 communities prepare town and village plans. National planning guidance will set out the role these can play so as to give stronger recognition to local views and values.

- New arrangements to ensure that all major policies are assessed for their impact on rural areas including an annual assessment by the Countryside Agency, annual reports by Government Departments, a rural policy checklist, and the establishment of a Rural Advocate.

NP3 - To conserve and enhance rural landscapes and the diversity and abundance of wildlife (including the habitats on which it depends), to safeguard their integrity and value for future generations and to provide a source of economic opportunity.

- Legislation to provide better protection for commons, tackle overgrazing and provide a fairer and more effective system of registration and management.
- Commitment to prepare a Biodiversity Strategy for England drawing on increased resources for agri-environment schemes in the England Rural Development Programme.

NP4 – To increase opportunities for people to enjoy the countryside.

- Opening up access to the countryside for all to enjoy under the Countryside and Rights of Way Act.
- Improve the countryside around towns through a new programme of demonstration projects (£4.5m) and consultation on a revised PPG16 (on sport and recreation).
- A review of diversity and the countryside to assess how more people with disabilities, from ethnic minorities and young people can be encouraged to visit.

Table 1: Indicative Priority Level Impact Indicators and Targets (extracted from Section 7 of the ERDP)

ANNEX 3

PRIORITY A Rural Economy Creation of a productive and sustainable rural economy

Objective	Impact Indicators	Impact Targets	Achievements in 2000	Cumulated Achievements
<p>To assist projects which contribute to:</p> <ul style="list-style-type: none"> ▪ more diverse and competitive agricultural and forestry sectors ▪ the creation of new jobs in the countryside ▪ the creation of new products and market outlets ▪ encouraging collaborative marketing ▪ provision of targeted training 	Number of projects, businesses or initiatives assisted	<p>a) To increase farm revenues from diversified sources by 25% on full time farms in England by end 2006.</p> <p>b) To assist 6,000 – 7,000 projects under the Rural Enterprise Scheme by 2007.</p> <p>c) To assist 370 businesses with Processing and Marketing Grants by 2007.</p> <p>d) To assist 200 village initiatives through the Rural Enterprise Scheme by 2007.</p>	N/A ¹⁰	N/A
	Number of FTE jobs created and sustained	<p>e) To create 4,000 – 6,000 Full Time Equivalent jobs through the Rural Enterprise Scheme.</p> <p>f) To create 2,200 Full Time Equivalent jobs through Processing and Marketing Grants by 2007.</p>	N/A	N/A
	Number of full-cost equivalent training days provided	<p>g) To provide 48,000 full cost equivalent training days for people in farming and forestry by 2007 to support successful delivery of measures under this Programme.</p>	N/A	N/A
	Number of hectares of agricultural land planted with trees	<p>h) To increase by 21,000 hectares the area of agricultural land planted with trees by 2007.</p>	2,438 ha. approved	2,438 ha. approved

¹⁰ N/A = data not available for 2000. This is because these schemes were launched in October 2000 – first agreements expected in 2001

PRIORITY B Rural Environment Conservation and enhancement of the rural environment

Objective	Impact Indicators	Impact Targets	Achievements in 2000	Cumulated Achievements
<p>To increase significantly the area covered by the schemes operated under the agri-environment measure;</p> <p>To maintain the sustainable management of an appropriate area of the Less Favoured Area</p>	Number of Biodiversity Action Plan Targets Achieved	a) To deliver by 2007 the 5-year 2010 Biodiversity Action Plan targets for creation of field margins through the Countryside Stewardship Scheme.	2,147 ha. ¹¹	2,147 ha.
	Number of hectares achieved / converted	b) To achieve an additional 525,000 hectares of land under Countryside Stewardship agreements by 2007.	48,486 ha. new LFA agreements; 31,279 ha. new non-LFA agreements	48,486 ha. LFA agreements; 31,279 ha. non-LFA agreements
		c) 430,000 hectares of land converted or converting to organic farming by 2007.	0	0
	Number of hectares maintained	d) To maintain at least the current areas of land under ESA agreements.	19,140 ha. new LFA agreements; 9,102 ha. non-LFA.	19,140 ha. LFA agreements; 9,102 ha. non-LFA.
		e) To maintain extensive grazing on 1.4m hectares in the Less Favoured Areas.	1.4m ha. maintained under agreement	1.4m ha. under agreement
	Percentage increase in proportion of land in higher ESA tiers	f) To increase by 10% the proportion of land in higher ESA tiers by 2004.	Not available ¹²	Not available

¹¹ The England biodiversity target to 2010 is 12,725 ha. The Countryside Stewardship Scheme had already contributed 8,061 ha. to that target by the end of 1999

¹² This data will be provided for future years up to 2004 following further IT development.

Table 2: Indicative Measures and Indicators (from Annex VII of the ERDP)

Measure	Key Indicators	Targets	Achievements in 2000	Cumulated Achievements
Investment in Agricultural Holdings:				
i) Energy Crops (Miscanthus)	<ul style="list-style-type: none"> ▪ area (ha.) under miscanthus ▪ tonnage of biomass produced ▪ carbon emissions saved (tC) ▪ energy derived from miscanthus (mGJ) 	<p>5,000</p> <p>64,000</p> <p>9,980 – 43,920</p> <p>1.0</p>	<p>N/A¹³</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>
ii) Rural Enterprise Scheme – Agricultural Diversification	<ul style="list-style-type: none"> ▪ Number of projects assisted ▪ Number of FTE jobs created 	<p>500</p> <p>400</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>
Training	<ul style="list-style-type: none"> ▪ number of training days ▪ number of training courses/workshops ▪ number of qualifications obtained 	<p>48,000</p> <p>2,400</p> <p>5,000</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>
Less Favoured Areas:				
(i) Hill Livestock Compensatory Allowance 2000 Scheme	<ul style="list-style-type: none"> ▪ Relative position of Net Farm Incomes (NFI) in the LFA and non-LFA 	Compensatory allowance not to exceed relative difference in incomes	NFI of cattle and sheep (LFA) farms was 54% of the NFI of All Farm Types in 1998/99 and 66% in 1999/2000 ¹⁴	Not applicable

¹³ N/A = data not available for 2000. This is because these schemes were launched in October 2000 – first agreements expected in 2001.

¹⁴ The position of farmers in the LFA has therefore improved but not overtaken that of farmers in non-LFA areas

Measure	Key Indicators	Targets	Achievements in 2000	Cumulated Achievements
(ii) Hill Farming Allowance Scheme (2001 -2006)	<ul style="list-style-type: none"> ▪ Relative position of Net Farm Incomes in the LFA and non-LFA ▪ Area (ha.) attracting basic HFA payment ▪ Area (ha.) attracting enhanced payments for sustainable management 	<p>Compensatory allowance not to exceed relative difference in incomes</p> <p>No decrease in 1.4m ha. normally declared, relative to decrease in non-LFA UAA</p> <p>Year-on-year increase in area attracting enhanced payments</p>	<p>N/A (see (i) on previous page)</p> <p>Basic HFA is 1.4m ha.</p> <p>N/A in HLCA 2000</p>	<p>Not applicable</p> <p>Not applicable</p> <p>Not applicable</p>
<p>Agri-Environment: (i) Countryside Stewardship Scheme</p>	<ul style="list-style-type: none"> ▪ area (ha.) and characteristics of land and features under agreement, in relation to nationally and regionally targeted landscapes and features, including: <ul style="list-style-type: none"> ⇒ meadows, pastures & rough grazings ⇒ moorland ⇒ lowland heath ⇒ coastal land & habitats ⇒ field boundaries & margins ⇒ arable land ⇒ historic landscapes & features 	<p>To increase the number of agreements and area under agreement annually.</p> <p>For each additional £1m: Additional 4,300 ha. under agreements;</p> <p>Additional 700 ha. arable field margins;</p> <p>Additional 350 km hedges, stone walls etc.</p> <p>Successful implementation of regional targeting strategies</p>	<p>2,072 new agreements covering 79,598 ha.; total cost: £13,905,643</p> <p>For each additional £1m: 5,723 ha. under agreement 1,166 ha. arable field margins</p> <p>212 km. hedges etc.</p>	<p>2,072 agreements covering 79,598 ha.; total cost: £13,905,643</p> <p>For each additional £1m: 5,723 ha. under agreement 1,166 ha. arable field margins</p> <p>212 km. hedges etc.</p>

Measure	Key Indicators	Targets	Achievements in 2000	Cumulated Achievements
(i) Countryside Stewardship Scheme (cont'd)	<ul style="list-style-type: none"> Amount of new access provided 		Provided in 99 agreements	Provided in 99 agreements
(ii) Environmentally Sensitive Areas Scheme (22 Schemes)	<ul style="list-style-type: none"> area (Ha.) and characteristics of land and features under agreement 	<p>To increase the number of agreements and area under agreement annually.</p> <p>To meet the environmental objectives and targets set for each ESA. <i>(Each ESA has a set of environmental objectives which reflect the aims of each management tier. Each objective has a set of published uptake indicators and targets)</i></p>	<p>500 new agreements covering 28,242 ha.</p> <p>To be reported as part of the 2003 mid-term review of agri-environment schemes</p>	500 agreements covering 28,242 ha.
(iii) Organic Farming Scheme	<ul style="list-style-type: none"> area (ha.) converted and converting to organic production per year number of beneficiaries (per year) 	<p>45,000</p> <p>650</p>	<p>0 (Scheme temporarily closed in 2000)</p> <p>0</p>	<p>0</p> <p>0</p>

Measure	Key Indicators	Targets	Achievements in 2000	Cumulated Achievements
Processing and Marketing	<ul style="list-style-type: none"> ▪ number of jobs created and safeguarded 	2,200	N/A	N/A
	<ul style="list-style-type: none"> ▪ number of projects assisted 	370	N/A	N/A
	<ul style="list-style-type: none"> ▪ number of collaborative marketing ventures supported 	100	N/A	N/A
	<ul style="list-style-type: none"> ▪ number of novel outlets created 	45	N/A	N/A
	<ul style="list-style-type: none"> ▪ number of projects involving increase in amount of locally produced/sourced raw material purchased 	288	N/A	N/A
	<ul style="list-style-type: none"> ▪ number of projects resulting in reduced pollution emissions, energy and water use, and waste production 	20	N/A	N/A
	<ul style="list-style-type: none"> ▪ number of new products brought to market 	70	N/A	N/A
	<ul style="list-style-type: none"> ▪ number of collaborative marketing groups helped to merge or form federal structures, resulting in improved marketing 	7 - 14	N/A	N/A
	<ul style="list-style-type: none"> ▪ number of assurance schemes assisted 	7 – 14	N/A	N/A

Measure	Key Indicators	Targets	Achievements in 2000	Cumulated Achievements
Forestry: (i) Woodland Grant Scheme	<ul style="list-style-type: none"> ▪ area of new woodland (ha.) planted with grant aid 	30,000	4,824 ha. (actually planted)	4,824 ha. (actually planted)
	<ul style="list-style-type: none"> ▪ area of new woodland (ha.) under approved management schemes 	300,000	39,347 ha.	39,347 ha.
(ii) Farm Woodland Premium Scheme	<ul style="list-style-type: none"> ▪ area (ha.) of new woodland planted 	21,000	2,438 ha. (approved for planting)	2,438 ha. (approved for planting)
	<ul style="list-style-type: none"> ▪ arable land area (%) 	40%	48%	48%
	<ul style="list-style-type: none"> ▪ improved grassland (%) 	50%	48%	48%
	<ul style="list-style-type: none"> ▪ broad leaf planted area (ha.) /conifer planted area (ha.) 	4:1	8:1	8:1
(iii) Energy Crops – Short Rotation Coppice	<ul style="list-style-type: none"> ▪ area (ha.) under short rotation coppice 	16,700	N/A	N/A
	<ul style="list-style-type: none"> ▪ tonnage of biomass produced 	215,000	N/A	N/A
	<ul style="list-style-type: none"> ▪ carbon emissions saved (tC) 	33,420 - 147,040	N/A	N/A
	<ul style="list-style-type: none"> ▪ energy derived from short rotation coppice (mGJ) 	3.3	N/A	N/A

Measure	Key Indicators	Targets	Achievements in 2000	Cumulated Achievements
Rural Enterprise Scheme:				
(iii) Setting up of farm relief and farm management services	<ul style="list-style-type: none"> ▪ number of businesses benefiting ▪ number of jobs created/sustained ▪ rural area served by farm relief and other services (sq km) 	<p>701</p> <p>277</p> <p>202,714</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>
(iv) Marketing of quality agricultural products	<ul style="list-style-type: none"> ▪ number of businesses participating ▪ number of jobs created/sustained ▪ increase in annual value of marketed products (% or £k) ▪ number of quality products marketed ▪ number of collaborative projects 	<p>2,037</p> <p>1,154</p> <p>5 - 10%</p> <p>1,485</p> <p>303</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>
(v) Basic services for the rural economy and population	<ul style="list-style-type: none"> ▪ number and type of beneficiaries ▪ number of services supported ▪ type of services supported ▪ number of ICT projects supported 	<p>126,857</p> <p>127</p> <p>13</p> <p>92</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>
(vi) Renovation and development of villages and protection and conservation of the rural heritage	<ul style="list-style-type: none"> ▪ number of beneficiaries ▪ number of village initiatives 	<p>146,178</p> <p>200</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>

Measure	Key Indicators	Targets	Achievements in 2000	Cumulated Achievements
(vii) Diversification of agricultural activities and activities close to agriculture to provide multiple activities or alternative incomes	▪ number of new enterprises supported	1,247	N/A	N/A
	▪ number of jobs created/sustained	1,033	N/A	N/A
(viii) Agricultural water resources management	▪ number of businesses supported	176	N/A	N/A
	▪ area (ha.) of land made irrigable	8,562	N/A	N/A
	▪ environmental impact: contribution to increased summer water levels in rivers or aquifers (i.e. volume of abstracted water replaced)	13 million cubic metres	N/A	N/A
(ix) Development and improvement of infrastructure connected with the development of agriculture	▪ number of businesses benefiting	405	N/A	N/A
	▪ number of jobs created/sustained	303	N/A	N/A

Measure	Key Indicators	Targets	Achievements in 2000	Cumulated Achievements
(x) Encouragement for tourist and craft activities	<ul style="list-style-type: none"> ▪ tourism/craft enterprises supported ▪ number of jobs created/sustained ▪ number of (quality assured)farm/rural bed places created/improved ▪ number of tourist day-visits per annum ▪ number of new rural craft practitioners created ▪ number of projects to facilitate public access ▪ number of visitor management plans 	<p>1,550</p> <p>1,044</p> <p>2,720</p> <p>861,000</p> <p>367</p> <p>338</p> <p>44</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>
(xi) Protection of the environment in connection with agriculture, forestry and landscape conservation as well as with the improvement of animal welfare	<ul style="list-style-type: none"> ▪ number of projects supported ▪ area (ha.) of land protected ▪ number of projects benefiting animal welfare 	<p>373</p> <p>13,053</p> <p>91</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>

ANNEX 4

MEMBERSHIP OF THE NATIONAL RURAL DEVELOPMENT FORUM AND REGIONAL RURAL DEVELOPMENT CONSULTATION GROUPS

National Rural Development Forum

ERDP National Strategy group members

MAFF
Regional Development Service (RDS)
DETR
DCMS
Forestry Commission
DfEE
Government Offices for the Regions
Countryside Agency
English Heritage
English Nature
Environment Agency
Regional Development Agencies

Non-governmental organisations

ACRE
Association of Local Government Archaeological Officers
Association of National Parks
Butterfly Conservation*
Council for British Archaeology*
Country Land and Business Association
Council for the Protection of Rural England (CPRE)*
Federation of Rural Community Councils
Farming and Wildlife Advisory Group
Game Conservancy Trust
Hill Farming Initiative
Local Government Association
National Trust*
National Farmers' Union
Planning Officers Society
Plant Life*
Royal Institute of Chartered Surveyors
Royal Society for the Protection of Birds (RSPB)*
Soil Association
Sustain
Tenant Farmers Association
Wildlife Trusts*
Wildlife and Countryside Link
WWF for UK*
Community Forests

* members of the Wildlife and Countryside Link

Regional Rural Development Consultation Groups

The RRDCGs are chaired by the Regional Manager from the MAFF region and attended by most of the ERDP *Regional Programming Group* members:

RDS

Forestry Commission

Government Office for the Regions

Countryside Agency

English Nature

English Heritage

Environment Agency

Regional Development Agency

Regional Chamber/Local Government Association

NGO representatives

RRDCG membership varies according to local circumstances but will include representatives from:

National Farmers' Union

Country Land and Business Association

National Park Authorities

Wildlife Trust

CPRE

RSPB

National Trust

Ramblers Association

FWAG

Local environmental voluntary bodies

ANNEX 5

PROGRESS AGAINST COMMON INDICATORS

Table

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