

Rural Development Programme for England

Northwest England Programme Delivery Report

March 2010

Building Sustainable Foundations in the Rural Northwest

The Northwest has £374 million of Rural Development Programme for England (RDPE) funding to invest in the region between 2007 and 2013. RDPE funding is managed jointly by Natural England, the Forestry Commission and the Northwest Regional Development Agency (NWDA). The programme is being used to support projects that will make our rural Northwest more sustainable and competitive, ensuring that strong economic performance goes hand in hand with the sustainable use of natural resources.

The priorities for the Regional Implementation Plan for RDPE in the region were informed by several strategies; Regional Economic Strategy; Northwest Forestry Framework; Natural England's Strategic Objectives; the Sustainable Farming and Food Strategy, as well as a socio-economic, environmental and sustainability analysis. This analysis identified several key issues that are core to the development of our rural areas.

Competitiveness and Growth: there exists long-term economic challenges related to relatively low rates of innovation, enterprise and productivity.

Climate Change and Energy: rural economic activity should be making a more significant contribution to a low-carbon and well adapted region.

Resource Protection: the natural environment is worth £2.5 billion to the Northwest economy and this needs to be protected and maximised especially as water protection and land management will continue to grow in importance.

Sustainable Agriculture: there is a need to maintain a viable and sustainable food and farming industry in the face of changing local and global pressures on the sector.

Forestry and Woodlands: there is a need to increase the currently low woodland cover, and make the most of timber through sustainable management, the stimulation of new markets and adding value to its products.

Biodiversity, Landscape and Heritage: the effects of climate change, development, renewable energy production requirements and structural reform of agriculture demand a new approach to environmentally focused management.

Skills, Knowledge Transfer and Capacity Building: leadership capacity within rural communities need to grow, to increase levels of vocational training and levels of knowledge transfer and research in core areas such as animal welfare, renewable energy, resource efficiency and better business practice.

To turn these issues into areas of activity that RDPE could begin to tackle, the Regional Implementation Plan translated them into four core 'themes':

1. Making agriculture and forestry more competitive and sustainable;
2. Conserving and enhancing the environment and countryside;
3. Enhancing opportunity and quality of life in rural areas; and
4. Developing skills, knowledge transfer and capacity building.

Although the RIP sets the agenda for RDPE's delivery until 2013, provision has been made to allow the scheme to adjust its focus (following, amongst other things, a national RDPE Mid Term evaluation). This will allow funding to be targeted to address emerging issues or better reflect new priorities and an altered economic context.



RDPE is set to deliver a significant social, economic and environmental boost for the Northwest and all partners involved are dedicated to ensuring that spend is maximised and the best possible outcomes are delivered. This report demonstrates the solid foundation partners have established to take the programme forward.

Delivery Progress of RDPE in the Northwest of England

RDPE in the Northwest region is delivered through a combination of local and sub-regional grants and support schemes, and region-wide targeted funding. Together, these local, sub-regional and regional funds meet the objectives of all four 'themes' from the Regional Implementation Plan, to collectively transform the economies, communities and environments of our region's rural areas.

Local and Sub-regional delivery

Localised delivery is central to the RDPE model in the region. To ensure this in the Northwest, partnerships have been created for each sub-region of the Northwest, and each one has a distinct Implementation Plan, which reflects the regional plan but also reflects the specific demands of that sub-region.

In addition, the Northwest is using the 'LEADER' approach to deliver this bottom up, localised delivery. There are eight Local Action Groups (LAGs) with over £25 million of the economic and social RDPE funding to distribute locally, for projects that range from vocational training and skills development to farming and forestry diversification, marketing, micro-business start-ups and tourism initiatives.

The LAGs are designing and implementing innovative packages of support for businesses, pushing forward new training and skills development and providing opportunities that are tailored to their specific local area needs whilst linking to the region-wide funding schemes.

The Northwest is pioneering this LEADER-style approach for its economic and social RDPE fund distribution, and it is critical to the long-term success of the programme in the region. Although a localised approach has not traditionally been considered the most expedient means of delivery, in the Northwest, new imperatives and fresh thinking are delivering new and sustainable projects that will ultimately prove its success.

Cumbria

Considered the most rural of the sub-regions within the Northwest, Cumbria has a considerable allocation of RDPE funding, to support a wide range of projects. In total, Cumbria has over £12 million to distribute across its rural areas. LAGs cover rural Cumbria – Cumbria Fells and Dales and Solway, Border and Eden. Both were launched in March 2009, and therefore have 12 months of delivery to report.

The **Cumbria Fells and Dales** LAG has a total budget of £6.1 million to allocate to rural people. To date £1,286,000 has been committed. Theme one projects that have already received support include a

processing plant for local sausage and burger making, a joinery start up and the development of a local milk distribution network (all meeting the criteria of theme one in the RIP). Projects that are delivering against RIP theme three include an on-farm cattery, a quality dessert manufacturer (to supply supermarkets and quality food chains), marketing activity to support local livery businesses and training to improve the built heritage of Cumbria.

Theme four focuses on the development of skills, knowledge transfer and capacity building. Both Cumbria LAGs have undertaken a Training Needs Analysis (TNA) and are currently working on taking forward a number of programmes of work. To date support has included training for farmers to organise and lead groups on farm visits - expounding the greater public good of farming, climate change issues, water management as well as food security, specific habitat management and local produce initiatives.

The **Solway, Border and Eden** LAG also has a total budget of £6.2 million to allocate to rural areas. To date £1,035,000 has been committed.

Projects under Theme one include the installation of meat hanging and cutting facilities at a farm, allowing this side of the farm's activity to grow whilst adding a premium to the price of the meat.

Theme three projects include the development of a little used youth and community centre aimed at serving the whole community, from community groups and youth organisations to third sector organisations.

Theme four includes the Heritage Skills Initiative, which is aimed at linking those providing training in traditional heritage building skills with those who need training through a series of events, symposiums, training courses. A programme of work will address the whole supply chain of traditional building skills, from those specifying work, to specialist trades and heritage managers.

Flood Recovery

The LAGs have also committed £340,000 to aid Cumbria's recovery from the November 2009 floods. 86 farm holders are benefiting with grants up to £6,800. Further support maybe given to the most badly affected farms from other LAG funds.



Lancashire

The three LAGs that cover rural Lancashire were launched in September 2009. They all have direct grants on offer with further schemes in development, including training support. A total of £6.3 million is available for rural projects across Lancashire.

The **North Lancashire** LAG has a total budget of nearly £2 million with about £907,000 of projects in development. The highest demand has been for Theme Three micro-enterprise start-up and development with £730,716 in development with currently £169,755 committed. Theme one has projects worth about £200,000 in development. Projects include a farm tourism attraction, rural garage expansion, training facilities for development of education side of a stud, capital funding for a caravan park (to create additional pitches for touring caravans), funding for a beauty salon and funding to create indoor facilities and permanent classroom and hygiene facilities at an education centre.

The **Lancashire West** LAG has a total budget of £1.8 million with £52,000 approved in Theme one and £80,000 approved for Theme three. Theme one projects include projects for heat sealing equipment for strawberry packaging, and specialist planting and harvesting for salads and vegetables. Theme three projects supported to date include new tourism accommodation businesses, a children's nursery and livery stables.

The **Pennine Lancashire** LAG has a total budget of £2.5 million with £206,500 approved and £291,000 worth of applications in the pipeline. Theme one projects include adding value to local wood products and Theme 3 projects include an equine facility, farm shop and countryside education centre.

Merseyside

Merseyside has one LAG covering the rural parts of the area which launched in January 2009. There is a total budget of £1.8 million with £393,000 committed to date.

In Theme one, £200,000 is committed for two large projects to add value to the vegetable growing sector and also a biomass and forestry advice project is currently under development. Theme three projects include a café, cattery and visitor attraction.

Greater Manchester

Greater Manchester is served through a local programme covering all the rural areas and the South Pennines LAG which covers Rochdale and Oldham, as well as parts of West Yorkshire (the latter area being outside the remit of this report).

The **South Pennines** LAG specifically delivers projects under Theme three, with an allocation of £500,000 from NWDA to the LAG. To date £270,000 has been committed to Oldham and Rochdale (with other projects operating across the whole LAG area). Projects supported include a canal festival, improved linkages to the canal network, natural play, energy efficiency in a community centre and a pilot bus service.

Greater Manchester has a total budget of over £2.4 million. Direct grants totalling over £1 million were launched in July 2009 for the defined rural area but none are committed as yet (11 expressions of interest, nine invited to apply, one application). Under Theme three a Tourism Package (£226,000) is under development to undertake marketing and promotional activities within the sub-region. A further community focused package (£556,000) will also be

delivered. Theme four training for the agricultural, food and forestry sectors (£532,500) is in final stages of procurement.

Cheshire

Cheshire, like Greater Manchester, has a mix of local delivery with direct grants and training supported through Reaseheath college and the Northern Marches LAG covering south west Cheshire as well as north Shropshire (outside the remit of this report). Cheshire has a total budget of just over £5.5 million with over £575,000 allocated to the Northern Marches LAG.

The **Northern Marches** LAG has contracted projects in Theme one including £24,000 committed to bringing in-house the production of an award-winning Guernsey herd-based yoghurt (currently sub-contracted), to improve dependability of production and economic viability. Theme three projects in development include the Northern Marches Grassland project to improve the understanding and management of the unimproved grasslands heritage of the Northern Marches, offer training and advise landowners on best management practice. In Theme four, £21,000 has been committed to 'Rural Environmental Management', a co-operative between Walford and North Shropshire and Reaseheath Colleges, to provide environmental management training to land-based businesses.

Cheshire – direct grants in Theme one include £33,572, which has been committed for two projects one for timber processing and the other an Anaerobic Digestion feasibility study. In theme three, £777,200 has been committed to ten projects with more in development. Committed projects include a business operating mobile climbing courses, which will give local communities the ability to access a normally inaccessible activity. Tourism is also being supported across this LAG area; £65,005 has been committed to one tourism project, and Visit Chester and Cheshire will deliver a significant tourism marketing RDPE project. In Theme four, Reaseheath College has been awarded the contract for the delivery of a Skills Package totalling £1.9 million and £20,000 will go into training for the tourism package for Visit Chester and Cheshire.



The Potato Grader supported by Mersey Rural LAG

Region Wide Projects

The Environment

80% of RDPE in the Northwest is being delivered as part of theme two – conserving and enhancing the countryside and environment. This area of RDPE is being delivered by Natural England and the Forestry Commission through two regionally targeted national schemes; Environmental Stewardship and the English Woodland Grant Scheme.

Natural England - Agri-Environment Delivery

Natural England is delivering the Environmental Stewardship (ES) Scheme, distributing £130.2 million (to date) to farmers and other managers of agricultural land. ES is being delivered as four strands;

The **Entry Level Scheme** (ELS) which has allocated £47.4 million, This is open to all farmers and landowners rewarding straightforward environmental management. To date, 3896 agreements have been brokered under the ELS, covering 335,423ha.

Organic ELS (OELS) which has allocated £4.9 million, and to date 122 agreements (covering 12,173ha) have been signed.

Upland ELS (UELS) was launched in February 2010 to replace the Hill Farm Allowance. The introduction of the specific Uplands ELS is particularly significant for the Northwest, which has a large proportion of England's upland areas and 2000 applications are expected.

The **Higher Level Scheme** (HLS) rewards much higher standards of environmental management and has £71.5 million (plus £6 million for Organic HLS) allocated. To date, 414 agreements have been brokered, covering 75,121ha (including 29,979ha on SSSI land). HLS is a targeted scheme (unlike the entry level support) aimed at achieving important environmental targets on the areas of most environmental value. The primary objectives cover 5 areas; Public Access, Biodiversity, Historic Environment, Landscape and Resource Protection. To date uptake has been largely market driven, however, future HLS activity will become more proactive and informed.

In addition to these four strands, £1 million has been secured to support the Cumbria floods recovery.

Environmental Stewardship funding was healthy during 2009/10. The 2010/11 delivery is set to be even stronger, as Natural England are tackling some key issues, such as limited capacity to service demand, which has been addressed by

national initiatives to improve HLS delivery efficiency for example. The challenge of widespread delivery through third party agencies has also been alleviated through the training over 36 new agents in the HLS application process, supported by wider application training provision, through external contractors under a national framework.

Entry level Stewardship

- 14,800 km of hedges under protection
- 5266km of stone walls under protection
- 1000 traditional farm buildings protected
- 10397Ha of land with options aimed at protecting archaeological features
- 5802 ha of land entered into sustainable arable management options
- 49615Ha of Pasture entered into low input options
- 40,500ha of moorland and rough grazing entered into ELS management

Higher level Stewardship

- 393km of fencing funded to support sustainable management
- 874 wooden gates funded
- 87Ha of woodland created
- 503Ha of woodland with livestock excluded
- 975ha of woodland brought into management
- 107Ha of wood pasture brought in
- 29 Orchards restored
- 1065Ha of archaeological feature protection
- 1247 Ha of sustainable arable production
- 1004Ha of wetland bird habitat
- 3200ha of upland bird habitat
- 537Ha of traditional hay meadows
- 1821Ha of species rich grassland
- 6868Ha of moorland
- 67 linear/open access agreements
- 40 Educational Access agreements
- 270Ha Sand dune
- 3379Ha of saltmarsh
- 108km of hedges restored, 28km of new plantings
- 39km of wall restoration
- 1066 bird boxes
- 9700ha of land grazed by cattle / rare breeds

In addition to Environmental Stewardship, the Northwest is continuing to benefit from two of the two predecessor schemes; the Environmentally Sensitive Areas schemes (ESA) and the Countryside Stewardship Scheme (CSS). Total coverage of Environmental Stewardship and the predecessor schemes in the Northwest is approximately 660,000ha, or 71.5% of available agricultural land.

ES scheme objectives are also now being reviewed, to allow the delivery of more direct climate change and flood risk alleviation objectives. One recent university study indicated that ES has already reduced net carbon emissions from agriculture by 11%, and the aim is to increase this positive effect.



Forestry Commission - English Woodland Grant Scheme (EWGS)

EWGS consists of six grants for the creation and stewardship of woodlands, five of which are funded through RDPE. In the region we have allocated £6.54 million to date. Within the Northwest region we are significantly increasing annual spend to a budgeted £3.4 million in 2010/2011.

The overarching objectives for EWGS are to sustain and increase the public benefits derived from existing woodlands in England and to invest in the creation of new woodlands in England of a size, type and location that most effectively deliver public benefits. Funding is managed on a regional basis and some grants are focused to meet the priorities laid out in the Regional Forestry Framework action plans.

Woodland Creation Grant (WCG) supports the establishment of new woodland, in particular targeting new accessible native woodland creation in areas of high need, those with declining woodland bird populations, those that will buffer ancient woodland areas or those within the Bassenthwaite and Windermere catchment areas in Cumbria plus defined Severely Disadvantaged Land and designated landscapes. £1.1 million has been granted to date, to create 1700ha of new native woodland. 272ha of new native woodland were created in 2009/10 and there are already commitments to support an additional 335ha in 2010/11.

Woodland Planning Grant (WPG) contributes to the costs of producing management plans for existing woodlands that meet the planning requirements of the UK Woodland Assurance Standard. £20,000 has been committed to date, to bring 3302ha of woodlands into the planning requirements of the UK Woodland Assurance Standard. Significant number of woodlands have been supported to achieve certified status, such as those within the Rochdale, Sefton and Oldham Local Authority areas, and woodlands on the National Trust and Woodland Trust Estates.

Woodland Assessment Grant (WAG) contributes to the standard costs of undertaking specific assessments needed for woodland management decisions. £40,000 has been committed to date, for 853ha of woodland, to survey and support management decisions aimed at maximising public benefit.

Woodland Management Grant (WMG) provides annual payments per hectare, to support sustainable woodland practice that will protect and enhance the delivery of benefits to the public. Payments will support public benefit gains linked to biodiversity, including red squirrel protection, ride management, butterfly and bird conservation. £380,000 has been granted to date for over 5000 ha of woodland.

Woodland Improvement Grant (WIG) supports capital investment in woodlands to create, enhance and sustain the quantity and quality of public benefits delivered.



Creation of new woodland on Kidburngill Farm

Up to 80% capital grants are available, and £1 million has been granted to date.

- Biodiversity WIG supports priority species in the region such as Red squirrels or habitats such as that of high brown fritillary butterfly. 5000ha of woodlands have been created or managed in support of woodland bird species annually. 200ha of woodland SSSI have had work carried out to recover them, or bring them into a more favourable condition, and 2000ha of plantation on ancient woodland sites (PAWs) have been restored.
- Access WIG This grant stream increases the percentage of population in social priority areas with access to woodland (currently standing at 73%). At present, this grant is supporting the creation of new woodland access in priority areas at a rate in excess of 200ha per annum.

NWDA Regional Projects

Some RDPE funding is being distributed at a regional level across the Northwest of England, and the NWDA have developed a suite of region-wide projects that address strategic priorities and deliver benefits across the rural Northwest.

The **Northwest Livestock Programme** is improving the competitiveness of livestock farms by raising the health status of farmed livestock and

encouraging farmers to embrace more efficient practices.

The livestock funding is being used in the Northwest to operate an integrated programme of knowledge transfer by means of demonstration and group activity, a dedicated website, monitor farms, and on-farm technical planning, enabling access to performance grants to implement the main recommendations. £8.09 million has been allocated to encourage knowledge transfer and the development of skills, and £9.75 million as capital performance grants.

One to one technical planning. Around 900 one to ones are underway (animal health planning, nutrient planning, and resource efficiency auditing), carried out by trained advisers and vets. More than 4000 one to one sessions will be completed by 2013, and the current split of work is approximately 60% Cumbria, 20% Lancashire and Greater Manchester and 20% Cheshire and Merseyside (although the balance is starting to shift towards the funding ratio for RDPE in the region - 45:35:20). Around £600,000 has been spent to date.

Knowledge transfer. As part of this, six 'monitor farms' (focal points for interested farmers and industry experts to share) have been set up, have held launch events to explain their purpose and are now developing Business Improvements Plans. In addition to the monitor farms, demonstration and good practice activity is underway. So far 15 demonstration events - with 640 attendees - have been held, four new farmer groups have been set up, and existing groups have received support. The dedicated website www.livestocknw.co.uk was set up in August 2009 (and has now received 3000 unique hits) and a quarterly e-newsletter is sent to 6000 farmers to encourage engagement. As a result of this marketing and promotion, around 500 have formally registered with the website for the technical updates.

Performance Grants, for animal health & welfare, nutrient management and farm competitiveness through resource efficiency. £733,000 has been awarded so far (of which £116,000 has been paid out to date). 124 farms (78 in Cumbria, 26 in Cheshire and 20 in Lancashire) have benefited, of which 80% are dairy farms, although more beef and sheep farms are now registering. Projects include covering slurry stores and silage pits, improving ventilation, improving cow comfort by cubicle design and flooring improvements, back flush systems for mastitis control, heat recovery systems to save energy, and other energy efficient dairy equipment.

An Anaerobic Digester at Reaseheath is currently being appraised as a possible regional exemplar and demonstration project.

NW Grainstore. Support in principle is been sought from the Lancashire West, Merseyside and Northern Marches LAGs, as well as and sub regional partners in Cheshire and Greater Manchester. A first phase project (Phase one - £48,000 towards total cost £80,000) will develop the industrial and provident society to manage the company on behalf of its members and define its governance arrangements, undertake planning permission and prepare a full business plan. This would be followed by the capital build of a 20 tonne grain store and a capital grant of £1.3 million (which will go towards the total project cost of £3.4 million). The proposed store would involve both flat storage and drying facilities, enabling farmers to utilise a central facility that will also develop new markets and be able to provide high specification grain to manufacturers.

The development of a £4 million **Rural Carbon Challenge Fund** was announced on 12th February 2010. This fund (which will be delivered by the NWDA in conjunction with Envirolink Northwest) will support small-scale renewable energy projects in rural communities and will fund a minimum of five (one per sub-region) exemplar projects across the region. These projects

will focus on wind, wood and hydro and support will be provided from Expression of Interest stage to completion of project. Grant support will range from £200,000 to £500,000.

Taste is a food tourism accreditation project (£1.5 million) that aims to stimulate the supply chain by encouraging tourism outlets to provide and sell local produce. The project is currently going through procurement and should be contracted in June/July 2010.

Rural Northwest Tourism Connect is a £5 million scheme (matched with the private sector) funded through the tourism-related themes in RDPE. The scheme will provide capital funding to a range of tourist accommodation providers to raise the quality of visitor accommodation. Grants will be specifically targeted at raising interior design standards within businesses and activities will include increasing bedspaces, upgrading bedrooms and bathrooms, major dining room, lounge, conference and reception improvements. Alongside the grant programme, a series of complementary activities to improve sustainability and reduce environmental impact, improve business performance and encourage local food procurement will be run. The project is currently in appraisal.

Rural Northwest Next Generation Access is a pilot scheme to provide £750,000 of additional RDPE funding (through the European Economic Recovery Plan) to introduce NGA technology into rural communities. This will include the provision of NGA broadband through fibre to the premises, where fibre is laid all the way from the telephone exchange to the business and residential premises, enabling symmetrical broadband services, typically of 100 Mbit/s. The successful pilots will be expected to utilise innovative and cost effective methods, which can contribute to the wider debate on the affordability of introducing NGA technology into rural areas. The project has been appraised and is being forwarded for approval.



The Rural Carbon Challenge Fund will support renewable energy projects in the Northwest