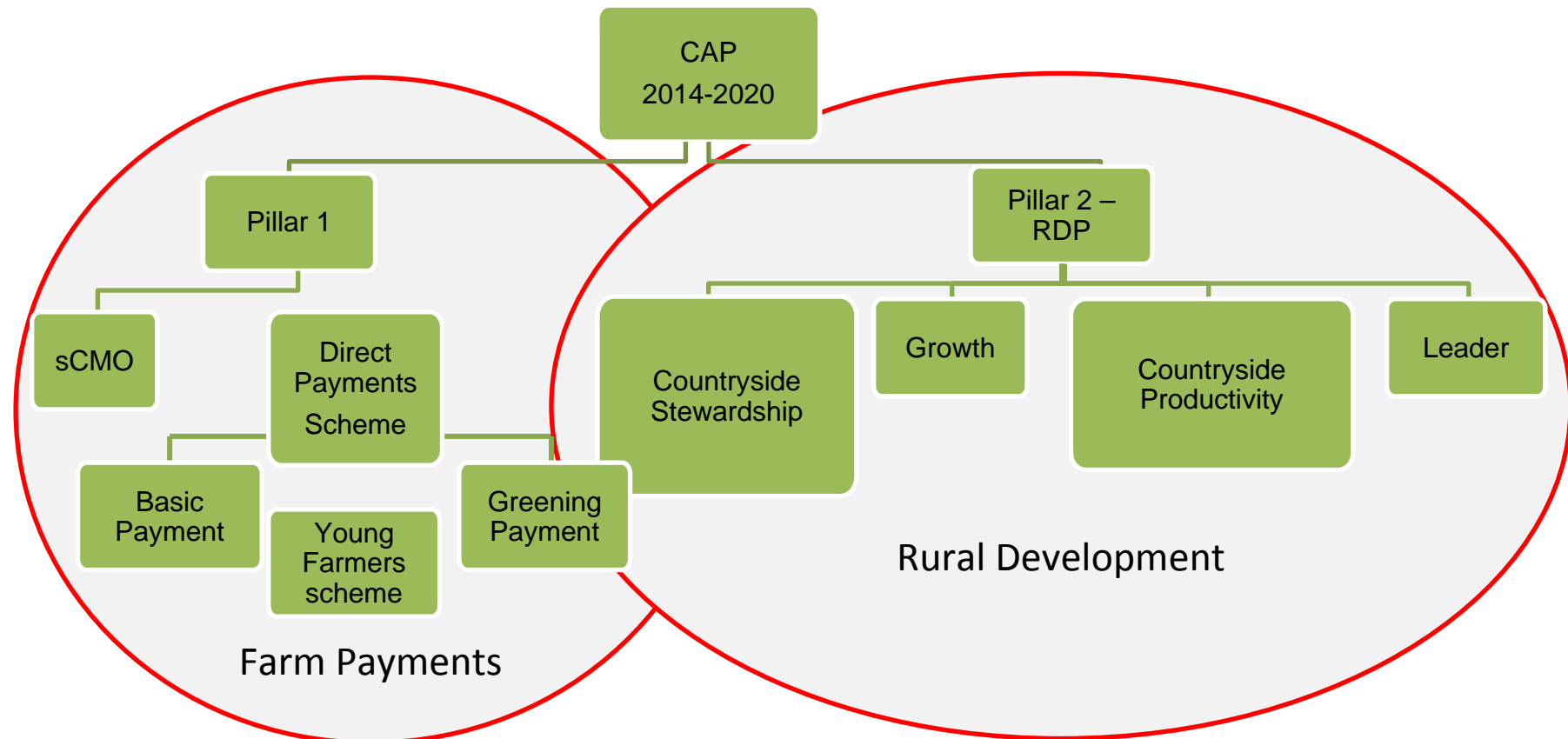


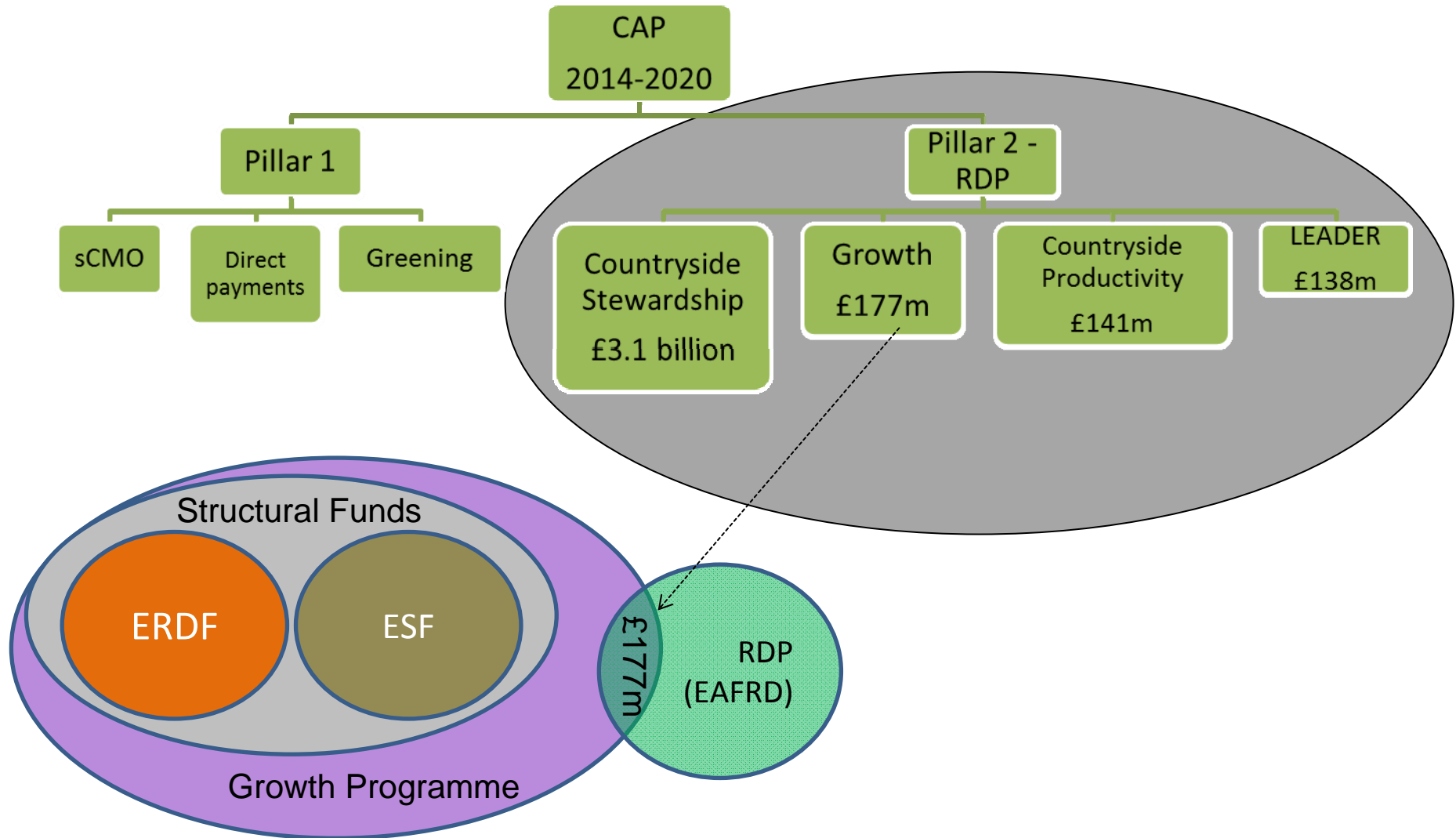
Funding update

Penny Oliver
Partnership & Expertise Manager
NW&WM Area

Many elements of new CAP will be similar to current arrangements. Two pillars:

- Pillar 1 for direct payments to farmers and market control measures
- Pillar 2 to promote rural development





Countryside Stewardship

£3.1bn

Funding to protect and manage the environment.

Replaces existing ELS, HLS and EWGS schemes. Will include both high and mid-tier agreements and one-off small-scale capital grants. Some advice, and grants to facilitate applicants for mid-tier scheme.

Countryside Productivity

£141m

Capital grants for farming and forestry businesses.

Start-up grants, advice and training for **new entrants**. Grants to support adoption of **new technologies**. Skills and knowledge exchange
Targeted support for priority objectives, e.g. animal disease.

Growth Programme

£177m

Growing the rural economy

Grants, advice and training for SMEs and start-up businesses in rural areas.

Grant support for specific sectors including tourism, broadband, renewable energy and food.

LEADER

£138m

Growing the rural economy

Grants for smaller projects in rural areas.

Can include grants for farming or forestry businesses.

Can include grants for SMEs and start-up businesses in rural areas.

Micro, small and medium-sized business support (£96m)

- **Capital or revenue grants to individual SMEs including those in the food and drink sector**
- **Procured business advice services, where ERDF is not available**

Promoting rural tourism (£20m)

- Support for collaborative Destination Management
- Grants for individual tourist attractions, initiatives and businesses

Investments in rural broadband and renewables (£37m)

- Broadband infrastructure for hard-to-reach rural areas
- Grants for renewable heat and energy projects

Training and skills for rural businesses (£24m)

- Capital or revenue grants
- Procured business skills services, where ESF is not available

- Two main mechanisms:
 - **Calls for activity** – grants for capital investment for small businesses, broadband, renewables, tourism and support for food and drink businesses
 - **Procurement** – skills and business advice
- LEPs European Structural Investment Fund strategies set out local priorities for funding
- LEPs Annual Implementation Plans set out what 'calls' we will issue each year

- LEADER will focus support on ***jobs and growth***
- Envisage 70% of projects **directly** supporting the rural economy, with the remaining 30% making a contribution
- Competitive application process, with groups in place by early 2015
- Requiring LAGs to work with LEPs to agree their Local Development Strategies
- LAGs now informed of result of assessment and moderation process
- LAGs in North West have received notification that Defra would like to support their LDSs – subject to conditions
- Pause for the appeals process
- Offer letters issued to successful LAGs following completion of appeals process

Policy priorities	Types of Project
Support for increasing farm productivity	Investments to support animal health and welfare, processing, marketing and development of agricultural products
Support for micro and small enterprises and farm diversification	Business start-up aid, purchase of equipment, construction or establishment of premises, processing and marketing of products
Support for rural tourism	Upgrading accommodation, use of IT, investments in green infrastructure, signage and interpretation, visitor attractions, events and festival
Provision of rural services	Plans for the development of villages, creation and development of small-scale infrastructure, rural services
Support for cultural and rural heritage	Support for cultural and natural heritage
Support for increasing forestry productivity	New forestry technologies and processing, wood fuel supply chains

Capital Grants Scheme

European Innovation Partnership

Set up and running of Operational Groups to conduct projects

Business Start-Up

Up to 70,000 euros for young farmers or new entrants

Integrated Projects

- High impact animal disease
- Improving nitrogen efficiency
- Wood fuel supply chain

Skills and Advice

Delivered via Skills framework but increase the focus on knowledge exchange and demonstration activity

- Planning for early 2015 launch
- For farm businesses, woodland owners and forestry contractors
- Capital Investments – **supported by business plan**
- Small Grants £2,500 to £35,000
- Large Grants £35,000 to £500,000
- 40% intervention rate
- No Rounds – but review point in July 2015
- Integrated projects later part of 2015



Agri-environment and forestry support is the main focus of the next Rural Development Programme (RDP) in England:

- Agri-environment and forestry gets **£3.1 bn** over the programme period (87% of total budget)
- Of this, **£2.2 bn (71%)** is accounted for by existing commitments (primarily ES and EWGS)
- So spend through **Countryside Stewardship is 29% (c£900m)** of the total to 2020

Supporting existing agreement holders will be vital

- Contribute around £900 million to rural businesses to help improve their countryside
- It will replace:
 - Environment Stewardship (ES)
 - the English Woodland Grant Scheme (EWGS)
 - capital grants from the Catchment Sensitive Farming (CSF) programme
- Will be open to all eligible farmers, land managers, land owners and tenants
- Set up a new national targeting framework which provides Countryside Stewardship priorities
- In the new online service, applicants will be able to
 - see what the priorities are for their land
 - choose which land management options to use
 - Tailor their application to bring the most benefit to their local area

- Design pretty much finalised between NE-FC and Defra Policy (scheme owners)
- EC not yet approved our Programme to 2020. Therefore everything is currently at risk of change.
- Guidance & Training still in development.
- GOV.UK guidance publication to be phased from January 2015. No paper handbooks (but can print off the online guidance).
- Public announcement of scheme name as part of the Pollinator Strategy launch by Liz Truss on 4 November
- Confirmation of preliminary grants (early 2015) for water and woodland

- **Higher Tier:** multiple year agreements for farmers and land owners
- For most environmentally important sites and woodlands
- Places that need complex management (e.g. woodland creation, habitat restoration)
- Applicants can use a full range of options and a wide range of capital grants the scheme offers
- Applicants will need to contact the Forestry Commission or Natural England before they can apply

- **Mid Tier:** multiple year agreements for farmers and land owners to address widespread environmental issues (e.g. reducing diffuse pollution)
- Not all options will be available in this tier
- Scheme targeting and scoring will encourage applicants to choose options that help environmental priorities in their area. This means environmental benefits will be widespread
- There are no woodland options in this tier

- As well as multi-year agreements, Countryside Stewardship will provide a range of capital grants to support farming and forestry operations that benefit the environment
- These are separate to the capital grants offered through Higher Tier and Mid Tier
- Grants are for
 - Woodland management plans
 - Woodland creation establishment (with associated multi-year agreement where applicable)
 - Tree health issues
- Some capital grants will be available in 2015

- Defra have published online the proposed payment rates for land management options and capital items under new Countryside Stewardship. These payments are subject to approval by the European Commission
- I have brought along a number of printed versions but electronic versions are in the public domain and are available here:



This sets out the proposed payment rates for land management options and capital items under new Countryside Stewardship. These payments are subject to approval by the European Commission.

Code	Option title	Proposed payment (€/ha)
AB1	Arable	173
AB2	Arable (winter)	173
AB3	Arable (spring)	173
AB4	Arable (summer)	173
AB5	Arable (autumn)	173
AB6	Arable (winter and spring)	173
AB7	Arable (summer and autumn)	173
AB8	Arable (winter, spring and autumn)	173
AB9	Arable (winter, spring and autumn) (with woodland)	173
AB10	Arable (winter, spring and autumn) (with woodland) (with woodland)	173
AB11	Arable (winter, spring and autumn) (with woodland) (with woodland) (with woodland)	173
AB12	Arable (winter, spring and autumn) (with woodland) (with woodland) (with woodland) (with woodland)	173
AB13	Arable (winter, spring and autumn) (with woodland) (with woodland) (with woodland) (with woodland) (with woodland)	173
AB14	Arable (winter, spring and autumn) (with woodland) (with woodland) (with woodland) (with woodland) (with woodland) (with woodland)	173
AB15	Arable (winter, spring and autumn) (with woodland) (with woodland) (with woodland) (with woodland) (with woodland) (with woodland) (with woodland)	173
AB16	Arable (winter, spring and autumn) (with woodland) (with woodland) (with woodland) (with woodland) (with woodland) (with woodland) (with woodland) (with woodland)	173

<https://www.gov.uk/government/publications/cap-reform-introducing-countryside-stewardship>



- Applications should reflect Countryside Stewardship priorities and show that they provide value for money
- Most applications will be assessed and scored. The exceptions are applications for **capital grants** for **woodland management plans** and for **tree health issues**
- To score applications, we will use:
 - The priorities highlighted in the national targeted framework based on NCA's
 - The land management options applicants have chosen on land parcels
- Detailed scoring system is still being developed.
- More information will be available in January 2015

- The multi-annual application process for Higher Tier; Mid Tier; woodland multi-annual (improvement and creation) and capital (improvement and infrastructure)
 - Application build: January to June
 - Application window: June to September
 - Appraisal: October; offers (to applicants) November to December
 - 1 January start dates for agreements
- The capital grants process including woodland creation establishment; Hedgerows & Boundaries capital
 - Application build: September previous to January
 - Application window: February to April
 - Appraisal one month after that (May)
 - June onwards: agreements issued
- Rolling windows (can apply anytime of the year)
 - Includes woodland management plans, woodland improvement tree health; feasibility and implementation plans

- Guidance will be available on GOV.UK
 - A finder tool to quickly direct customers to their requirements
 - Specific guidance on all the options and capital items
 - A scheme handbook covering the whole of Countryside Stewardship
- In 2015, we will ask people who we think are likely to apply for Countryside Stewardship to register with GOV.UK Verify
- We will contact applicants to let them know when it is time to register