



# Environment, Food and Rural Affairs Committee

Committee Office, House of Commons, London, SW1A 0AA

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## From the Chair of the Committee

Rt Hon George Eustice MP

Secretary of State for Environment, Food and Rural Affairs

Seacole Building

2 Marsham Street

London

SW1P 4DF

Dear Secretary of State

02 June 2020

### Replacement for the Rural Development Programme for England

I am writing to ask for an update on the Government's plans for replacing the elements of the Rural Development Programme for England (RDPE) that will not become part of new public goods schemes such as Environmental Land Management (ELM). With the Government only guaranteeing funding for RDPE projects approved by the end of this year, a number of stakeholders have expressed concern at the lack of detail as to how these schemes will be replaced.

My understanding is that those programmes funded by the European Agricultural Fund for Rural Development (EAFRD) that will not form part of public goods schemes will be rolled into the proposed UK Shared Prosperity Fund. It would be helpful if you could set out, as far as it is possible, how the existing elements of the RDPE will map onto their replacement programmes. Given the Government's commitments to maintain the current annual budget to farmers in every year of this Parliament and that funding from the UK Shared Prosperity Fund in every region will be "at least the same level" as the European Structural and Investment funds it replaces, can you please enumerate how much of current RDPE funding will form part of the Shared Prosperity Fund and how much the new public goods schemes including ELM?

At Budget 2020 the Chancellor announced that the Government would announce further details about the Shared Prosperity Fund alongside the Spending Review in July. However, the Spending Review has now, of course, been delayed owing to the Coronavirus pandemic. I would therefore be grateful if you could confirm when the Government intends to publish details of its proposals, and whether it still intends for the fund to go live at the beginning of 2021 or if there will be interim arrangements to allow time for proper consultation and reflection on the detail with all affected groups.

As you know many rural stakeholders are concerned that rural business and areas will lose out under a general Shared Prosperity Fund. They point to the longstanding perception that existing local economic development programmes driven by MHCLG and BEIS, such as the

Local Economic Partnerships, have had an urban and suburban bias. This is of course not just about levels of funding, but also ensuring that programmes reflect the specific challenges faced by rural economies and businesses. What steps, therefore, is DEFRA taking to ensure that the design and governance of the new fund, at the national and local level, will result in the specific needs of rural areas and businesses being fully reflected in policy and delivery? Furthermore, how does DEFRA intend to monitor and evaluate the impact of the new programmes on the rural economy?

I'd be grateful for a reply by 1 July to allow the Committee to consider it prior to the summer recess.

**Yours Sincerely**

A handwritten signature in purple ink, consisting of the name 'Neil' followed by a stylized, elongated flourish.

**Neil Parish**  
**Chair of the Committee**



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Neil Parish MP  
Chair, Environment Food and Rural Affairs  
Committee  
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7 July 2020

Dear Neil,

Thank you for your letter of 2 June seeking an update on the government's plans for replacing the elements of the RDPE that will not become part of new public goods schemes such as Environmental Land Management.

As you will be aware, rural communities and businesses currently receive support through the Rural Development Programme for England socio economic schemes, specifically the Growth Programme and LEADER. The demand for this type of support is high, with the final round of the Growth Programme - which closed in February - attracting over 3,000 Expressions of Interest, totalling over £350m against a budget of just £60m. Applications covered tourism, food processing and business development, all of which will be critical in supporting our recovery from COVID 19.

Now we have left the European Union, we have an opportunity to give places more power and freedom to drive enterprise and jobs across the whole UK, by re-energising our towns, cities and rural regions. The government will no longer be constrained by EU rural development schemes which were not always fit for purpose for the needs of the UK.

As part of the future farming programme, we will provide grants to farmers, foresters and growers so that they can invest in equipment, technology, and infrastructure that will help their businesses to prosper while improving their productivity and enhancing the environment. These grants will help producers focus on more efficient production methods that will reduce costs, improve yields and give them a better return. We will also support farmers who want to process and add value to their products, create new products, or sell their produce directly to customers.

As our manifesto set out, the UK Shared Prosperity Fund will replace the overly bureaucratic EU structural funds. Funding will be realigned to match domestic priorities, with a strong focus on supporting people. The manifesto also stated that it will at a minimum match the size of those funds in each nation.

I want to ensure that this Fund meets the needs of rural communities so that they benefit from our levelling up agenda. Defra officials are working with the Ministry of Housing, Communities and Local Government which leads on its development to ensure that the design of the UK Shared Prosperity Fund takes account of the dynamics of rural economies and the particular challenges faced by rural communities.



The Fund will play a vital role in supporting rural and coastal communities in recovery and renewal from COVID 19. Both departments have been engaging in discussions with rural stakeholders to support development of the evidence base around what rural communities and businesses need of the Fund.

We recognise the importance of reassuring local areas on the future of local growth funding. The government has been clear final decisions about the quantum and design of the Fund must take place after a cross-governmental Spending Review which as you note has been delayed. The government will bring forward plans for the UK Shared Prosperity Fund in due course.



**RT HON GEORGE EUSTICE MP**



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## From the Chair of the Committee

Rt Hon George Eustice MP

Secretary of State for Environment, Food and Rural Affairs

Seacole Building

2 Marsham Street

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Dear Secretary of State

09 July 2020

### Replacement for the Rural Development Programme for England

Thank you for your letter of 7 July in response to mine of 2 June in relation to those elements of the RDPE that will not become part of the new public goods schemes. I appreciate it is difficult for you to make commitments prior to the Spending Review. However, I know that you also appreciate the impact of the ongoing uncertainty about the future of rural development funding after this year on many rural businesses, especially as they seek to recover from the coronavirus pandemic. I must therefore press you to provide greater clarity.

In your reply you state that final decisions on the design of the UK Shared Prosperity Fund will be taken after the Spending Review, which is now not expected until the autumn. This appears to provide very limited time for the structures for administering the fund to be put in place before the end of 2020, assuming that is still the Government's intention, let alone for meaningful consultation with stakeholders on, or Parliamentary scrutiny of, the detail.

As you acknowledge this funding will be critical for the recovery of the rural economy from the effects of the COVID-19 pandemic. I am sure you would therefore agree that the most important priority must be to avoid a disruption in funding flowing into the rural economy, either because the Shared Prosperity Fund is not ready, or the new systems face teething problems. I would therefore repeat my question as to whether the Government's plan is for the final Shared Prosperity Fund to "go live" at the beginning of 2021 or if there will be interim arrangements to allow time for proper consultation with all the affected groups on the detail of the scheme?

With regard to consultation, as you know there remains deep concerns that the rural voice will be lost in the new arrangements given the experience of previous MHCLG led local and regional economic development programmes. I am therefore glad that rural stakeholders have been engaged in discussion about the evidence base underpinning the design of the fund. But I must press on what assurances you can provide that those representing rural

communities will have a strong ongoing voice within the governance arrangements of the fund and how it will be prioritised and distributed.

My letter also asked for greater detail on how existing programmes will map across to the new schemes. I understand the reluctance to commit to the quantum of funding for future years, although that of course increases the uncertainty for stakeholders. However, I would be grateful if you could provide the Committee with details of what elements of the existing European programmes DEFRA is responsible for will be replaced by the public goods schemes, and which by the UK Shared Prosperity Fund.

I would be grateful for a reply by 22 July.

**Yours Sincerely**

A handwritten signature in purple ink, consisting of the name 'Neil' followed by a stylized, elongated flourish.

**Neil Parish**  
**Chair of the Committee**



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Neil Parish MP  
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7 September 2020

Dear Neil,

Thank you for your letter of 9 July seeking further clarification of the Government's plans for replacing the elements of the RDPE that will not become part of new public goods schemes such as Environmental Land Management. I acknowledge the concerns you raise on timing and potential for teething problems with a new system. I have written to the Secretary of State for Housing, Communities and Local Government, so he is fully aware of the issues you raise.

As you will be aware, policy development on the UK Shared Prosperity Fund is led by the Ministry for Housing, Communities and Local Government (MHCLG) and they will set out their plans for the design and administration of the Fund, and for engagement on the detail of this in due course.

Ahead of the Spending Review I can only reiterate the 2019 Conservative Manifesto which committed to creating a UK Shared Prosperity Fund which binds together the whole of the United Kingdom, tackling inequality and deprivation. The Fund will be driven by domestic priorities with a focus on investing in people. At a minimum, it will match current levels of funding for each nation from EU structural funds. My expectation is that the UK Shared Prosperity Fund will be critical in supporting our recovery and renewal from COVID 19, including recovery in rural areas and will include the successor for the Growth Programme and LEADER elements of EAFRD.

Defra officials continue to work with MHCLG to ensure that the design of the Fund takes account of the dynamics of rural economies and the particular challenges faced by many rural communities.

As I mentioned in my previous response, the government recognises the importance of reassuring local areas on the future of local growth funding and of providing clarity on the UK Shared Prosperity Fund. Government officials have been working closely with interested parties and will continue to do so as we develop the UK Shared Prosperity Fund. Officials have held 26 engagement events in total, including 25 across the UK and one in Gibraltar. These were attended by over five hundred representatives from a breadth of sectors and designed to aid the development of the fund. Following this, final decisions on the UK Shared Prosperity Fund will be taken after a cross-government Spending Review.

The Government will look to set out its national approach to local economic recovery and devolution through a White Paper in the Autumn. We have tested elements of the proposed delivery architecture as part of conversations with stakeholders regarding the upcoming White Paper. We believe that the best way to progress and develop the approach will be to continue to work collaboratively, at a local and national level. The Minister for Regional Growth and Local Government has established an Economic Recovery Working Group, which meets regularly to bring together local growth partners to discuss emerging themes and concerns across the country, including those relevant to rural areas, and this includes representatives from rural Local Enterprise Partnerships and local authorities.

*George Eustice*

**RT HON GEORGE EUSTICE MP**