



Rural Payments
Agency

Rural Payments Agency Business Plan 2013/14

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Foreword by the Chief Executive Officer

I am pleased to present the Rural Payments Agency's (RPA) annual Business Plan for 2013/14. It sets out our objectives and focus for this financial year, building on the strong progress made over the past 12 months in delivering the first year of our strategic Five Year Plan.

RPA has turned a corner and is fast becoming a trusted, efficient and value for money delivery organisation, supporting farmers, producers and the rural economy.

Our record performance in achieving our Single Payment Scheme (SPS) payment target for all of December 2012, paying 91% of farmers 84% of the total fund value, on the very first banking day of the payment window, demonstrates the improvements we have made. We intend to go further in 2013/14, paying 93% of SPS customers 86% of the fund value by 31 December 2013.

The RPA's new operating structure is embedded and supporting our focus on continuous improvement.

Our Strategic Improvement Plan now enters its second of 3 years, having already delivered significant change.

This Business Plan details how our continual focus on delivering the Strategic Improvement Plan will enable us to further modernise our systems, processes, controls and people capability. Including how we will do this while working to reduce costs and achieve value for money.

An ongoing programme of improvement will continue to place customers' needs at the centre of our business. It will deliver the organisational stability and efficiency to allow us to make even more payments accurately and on time, which is vital for farmers, food producers and growth in the rural economy. Our Strategic Improvement Plan programme will also ensure that the underpinning efficiencies, governance and processes are in place to support the implementation of new Common Agricultural Policy (CAP) schemes, due to be introduced in 2015.

The CAP Delivery Programme, led by the Department for Environment Food and Rural Affairs (Defra) working closely with RPA, will also begin procurement of new systems to support all future CAP schemes, and work to deliver simplicity for our customers, and good value for the taxpayer.

The new schemes will present many challenges for the agency, its stakeholders and customers. We must continue to work collaboratively during 2013/14, both with our parent department Defra and stakeholders across the sector, to meet these challenges.

We will work in partnership with the farming and food production sector to strive for an approach that is straightforward and effective. It must deliver best value, quality service to customers and support sustainability and growth in the rural economy.

These are our challenges for 2013/14 and for the period of our Five Year Plan. The commitment of our people to deliver for our customers, and our focus on value for money and efficiency, will be central to the successful delivery of this Business Plan. I am confident RPA can continue its improved performance over the coming year.



Mark Grimshaw
Chief Executive Officer

Executive summary

Our purpose

The Rural Payments Agency is an executive agency of Defra (also known as the department). It is the accredited paying agency for all CAP schemes in England, paying and accounting for over £2 billion each year, and also operating cattle tracing services across the whole of Great Britain. We manage more than 40 schemes in line with European Union requirements. To administer such a wide range of schemes we manage information on more than 2 million land parcels and 13 million cattle movements, carry out over 23,000 inspections annually and hold data on 120,000 customers.

Our strategic goals and priorities

In February 2012 we launched our Five Year Plan which sets out our strategic goals and priorities between 2012 and 2017. It sets out how we will deliver a better service to our customers, pay them the right amount of money on time, make the agency more effective and efficient and enhance our support of the rural economy.

The 2013/14 Business Plan sets out in further detail what we will deliver in year 2 of our Five Year Plan, as we seek to build on a successful start and meet the challenge of CAP reform while continuing to deliver excellent customer service.

Indicators and targets

In 2012/13 we continued to improve performance, meeting all our ministerial, customer and taxpayer indicators. In 2013/14 we will continue to build on this improving performance, looking to deliver more quickly and effectively for our customers and the taxpayer. This is reflected in our comprehensive set of indicators which cover our overall performance, customer service and our commitment to the taxpayer. In particular, we commit to pay 93% of our SPS customers 86% of the fund value by 31 December 2013.

Year two of our Five Year Plan

Our Five Year Plan delivers in 2 main phases: the Strategic Improvement Plan, which stabilises the agency in preparation for CAP reform; and our role in the CAP Delivery Programme which will implement the new CAP schemes.

2013/14 will be critical for both of these phases, with the majority of remaining Strategic Improvement Plan projects being delivered, and the procurement process for the CAP Delivery Programme being completed. Therefore, this is an important year for the agency as we deliver change and manage improvements in business as usual, while reacting in an agile way to external challenges and uncertainty.

Being more efficient

Through the Five Year Plan, we are working towards achieving greater efficiencies in the way we work, providing a prompt service to our customers, while maintaining value for money for the taxpayer. As we begin to implement a new and more complex set of CAP schemes, and the financial climate remains challenging, we will continue to seek efficiencies where possible across our business, to achieve savings and process improvements, and enhance our ability to support the rural economy.

Better regulation

As most of RPA's work is directed by European legislation, the most achievable way for us to deliver better regulation is to make sure that we implement that legislation as appropriately as possible. We always try to balance control requirements with flexibility to support the farming sector in focusing on its core business.

Governance

Since our last Business Plan, we have redefined our governance structure both within RPA and in relation to Defra. This included redefining the governance of the CAP Delivery Programme to reflect its widened scope. For a detailed overview of our current governance arrangements, please read Annexes C and D.

Risk management

During 2013/14 we will continue to deliver improved risk management, focusing on requirements identified by the 2011/12 review. Our new approach is more proactive and focused, it will improve risk management of current activities and improve our planning for future activities.

Stakeholder engagement

We work closely and effectively with our stakeholders to ensure that we provide the best possible service for our customers.

In particular, engagement in 2013/14 will be key as we use the support of our industry partners to understand and develop the new CAP schemes, prepare for their implementation through the CAP Delivery Programme and help our customers make the transition to digital by default service delivery.

Joint working and service delivery reform

Joint working is central to RPA's work. As a paying agency for CAP schemes we have responsibilities that stretch outside of the immediate boundaries of our organisation, including making payments for schemes run by other parts of the Defra network. We work extremely closely with Defra, Natural England, the Animal Health and Veterinary Laboratories Agency, Forestry Commission, Environment Agency, devolved administrations and others.

This ongoing joint working includes sharing knowledge to help develop new and innovative responses to reduce regulatory burden and support the rural economy.

Sustainable development

RPA has continued to make progress in this area during 2012/13, exceeding all of our published commitments, and we plan to go further in reducing our impact on the environment during 2013/14. Our targets for 2013/14 are on page 16.

Health and Safety

RPA is committed to the safety and security of both its people and its customers. We have an active Health and Safety team which works to improve our people's understanding, identify and mitigate risk, deals with any incidents that occur, and ensures that lessons are learned and best practice is followed.

Human Resources

A central focus in RPA is to continue to develop a professional and engaged workforce to support the achievement of our objectives. In 2013/14, we will continue to improve our people management in areas including talent management, workforce planning and modernising our employment offer.

Our purpose

RPA is an executive agency of Defra. It is the accredited paying agency for all CAP schemes in England, paying and accounting for over £2 billion each year, and also operating cattle tracing services across the whole of Great Britain.

RPA's main tasks are to:

- administer CAP schemes;
- make CAP support payments;
- record livestock movements;
- carry out inspections; and
- assure management and administration of CAP schemes at Natural England, Defra and the Forestry Commission.

We manage more than 40 schemes in line with European Union requirements. To administer such a wide range of schemes we manage information on more than 2 million land parcels and 13 million cattle movements, carry out over 23,000 inspections annually and hold data on 120,000 customers.

Our work supports the rural economy and economic growth through contributing to Defra's Structural Reform Plan, particularly in the key area of supporting British farming and encouraging sustainable food production. Our data and processes also support delivery of the Pillar 2¹ CAP schemes which contributes to the Defra priority to help enhance the environment and biodiversity to improve quality of life.

Most importantly, our customers rely on us to pay them the money they are eligible for, and all our activities are centred around delivering this effectively for our customers, while achieving value for money for the taxpayer and maintaining compliance with European Union rules.

Our strategic goals and priorities

In February 2012 we launched our Five Year Plan which sets out our strategic goals and priorities between 2012 and 2017. It sets out how we will deliver a better service to our customers, pay them the right amount of money on time, make the agency more effective and efficient and enhance our support of the rural economy. The Five Year Plan aims to overcome the legacy issues of inaccuracy, poor timeliness and failing to deliver value for money. It also contributes to the government's overall objective to stimulate economic growth through supporting and developing British farming, and encouraging sustainable food production.

Our 3 core objectives set out in the Five Year Plan are:

- To stabilise RPA. This will enable us to deliver all our schemes in the remaining CAP period; in line with value for money principles; to achieve acceptable payment accuracy; and to draw a line under legacy issues to remove the accounts qualification.
- To work closely with the Defra-led CAP Delivery Programme to develop the specifications and procure the replacement systems that meet the CAP reform obligations and avoid the errors which stemmed from the introduction of CAP 2005.
- To implement these new systems at best value for money for the taxpayer, without customer service issues or unexpected costs.

¹ Pillar 2 covers agri-environment schemes and other non-direct schemes administered by other parts of the Defra network.

During 2012/13 we kick started our Five Year Plan, delivering 11 of our 45 improvement projects, stabilising the agency through introducing new people, governance and processes, and taking significant steps towards achieving our core objectives.

This included moving forward the work of the CAP Delivery Programme² to source our future systems for the implementation of CAP reform, and working with Defra to ensure the need for delivery simplicity is reflected in the UK's negotiating positions in Europe.

The 2013/14 Business Plan sets out in further detail what we will deliver in year 2 of our Five Year Plan, as we seek to build on a successful start and meet the challenge of CAP reform while continuing to deliver excellent customer service.

Indicators and targets

In 2012/13 we continued to improve performance meeting all our ministerial, customer and taxpayer indicators. This included our best ever SPS payments performance, delivering our commitment for December on the first banking day of the payment window, meaning 91.4% of our customers were paid at the earliest possible opportunity and 84.6 % of the estimated fund value was paid out in a single day. We also achieved our highest ever customer satisfaction score of 8.7 in quarter 3 of 2012/13 and met our targets around increasing online activity, with 40% of SPS applications, and 90% of cattle movement reports, being made online.

In 2013/14 we will continue to build on this improving performance, looking to deliver more quickly and effectively for our customers and the taxpayer. This is reflected in our comprehensive set of indicators below, which cover our overall performance, customer service commitments and our commitment to the taxpayer.

In developing these indicators, we have balanced our desire for continued improvement with driving down costs and achieving value for money for the taxpayer. Where we have increased our ambition, we are aiming to continue to improve performance while making cost and resource savings through efficiencies and process improvements.

Moreover, we are committed to supporting growth in the rural economy and, in particular, our performance indicators around timely payments to customers will contribute to this, allowing customers to manage their cash flow better. Specifically, we commit to pay 93% of our SPS customers in the first month of the payment window, and 98% of Rural Development Programme for England schemes within 5 working days of receipt. Our taxpayer commitments and indicator on payment accuracy will also allow us to demonstrate that we are supporting farmers and the rural economy in an efficient and cost effective way for taxpayers. This includes commitments to reducing the cost of running SPS and other schemes while minimising disallowance risk through our response to audit recommendations.

Headline indicators

Our full set of headline indicators:

- Delivering service to our customers – an average customer satisfaction score of 8 out of 10 across the year.
- Timely payment of the Single Payment Scheme – 93% of customers paid 86% of the fund value by 31 December 2013; and 97% of customers paid 97% of the fund value by 31 March 2014.

² This work is now led by Defra. It was formerly known as the Future Options Programme. For more information read page 10.

- Timely payment of applications to the Trader schemes –
98% of Fruit & Vegetable Producers paid within 100 calendar days;
96% of other schemes within 28 calendar days; and
99% of other schemes within 60 calendar days.
- Timely payment of applications to Rural Development Programme for England schemes –
98% within 5 working days of receipt.
- Getting it right –
99% of payments made to be accurate first time, measured against financial value.
- Maintain accurate records of cattle within Great Britain –
at least 96% of notified births, deaths and movements to be entered onto the system within
5 working days of receipt.

Customer commitments

Our commitments to our customers:

- Resolve calls at the first point of contact wherever possible. Where this is not possible either agree a date for the next contact or return the call within one working day.
- Normally reply to customer letters within 10 working days.
- Acknowledge customer emails within one working day of receiving them and reply to the query within 10 working days.
- Update maps to reflect reported changes within 30 working days or acknowledge the request, outlining any further action required.
- Normally issue requested cattle passports within 5 working days or within 2 working days if applied for online.
- Register the majority of complaints and agree a resolution plan within 15 working days. Where an agreement is not reached we will normally review the proposed resolution within 15 working days.
- Undertake a full review of decisions where complaints cannot be resolved satisfactorily and advise on the outcome within 30 working days.
- Consider any appeals and normally advise on the outcome within 60 working days. Implement any change where possible within 30 working days of the decision being made on the appeal.
- Pick-up the majority of calls made to us within 25 seconds.

Defra and taxpayer commitments

Our commitments to Defra and the taxpayer:

- Maintain a focus on costs, living within a reduced budget and reducing the full end to end cost of processing an SPS claim.
- Minimise the risk of disallowance by responding to and agreeing a timetable to address all specific audit recommendations.
- Support the government's Digital by Default strategy by agreeing a baseline for digital transaction costs for SPS claims and cattle movements and increasing the number of SPS applications made online.
- Complete all of our compliance activities, including inspections, within regulatory requirements.

Through these indicators we aim to demonstrate our continued ambition to be a trusted and effective delivery body, supporting the rural economy and growth through successful implementation of the Common Agricultural Policy and our animal movement responsibilities.

Year two of our Five Year Plan – what will we deliver in 2013/14?

Our Five Year Plan delivers in 2 main phases: the Strategic Improvement Plan, which stabilises the agency in preparation for CAP reform; and our role in the CAP Delivery Programme which will implement the new CAP schemes.

2013/14 will be critical for both of these phases, with the majority of remaining Strategic Improvement Plan projects being delivered, and the procurement process for the CAP Delivery Programme being completed. Therefore, this is an important year for the agency as we deliver change and manage improvements in business as usual, while reacting in an agile way to external challenges and uncertainty. Below we set the context of this change and detail what the 2 programmes will deliver in 2013/14 to achieve this.

Preparing for CAP reform

The current CAP schemes which RPA delivers will soon be coming to an end. Replacement schemes are being negotiated between the European Parliament, European Commission and the European Union Member States.

Throughout this process RPA is working with Defra to plan for delivery of the new schemes. This includes feeding the delivery perspective into the negotiations, to try to make sure the new schemes are as simple as possible for paying agencies and our customers, and support our aim to achieve value for money for the taxpayer.

This involves working with paying agencies across Europe to understand the common challenges we face, sharing experience and collectively influencing the European Commission on delivery issues.

We have also been working to stabilise the agency ahead of CAP reform through the Strategic Improvement Plan, and to define our future requirements for a new computer system through the CAP Delivery Programme. This will allow us to meet future challenges and reduce our exposure to financial correction. Pages 8 to 11 detail how we will make progress in these areas of work over the coming year.

However, we are aware there are several external factors which may affect our preparations for CAP reform. For example, the timetable for reform remains uncertain, meaning we will not know the final content of the new legislation for some time, the draft proposals are more complex than the current schemes and the financial climate in the UK and the European Union remains challenging.

We are working to actively manage these risks, both within RPA and through the CAP Delivery Programme. We detail our approach to risk management on page 14.

Strategic Improvement Plan

There are 6 themes within the Strategic Improvement Plan, designed to stabilise the agency and improve data and processes ahead of the implementation of CAP reform. These themes are detailed below, along with what they will deliver in 2013/14. You can read more information in Annex B about when these improvements will be delivered, and progress against the Five Year Plan.

Cleansed data

For this theme we will:

- build a data governance capability that is equipped to manage the quality of our data proactively,

so that once the historic issues have been addressed we have processes in place to maintain data quality;

- maintain and where possible exploit the new standalone entitlements database to support process improvements that will increase the effectiveness and efficiency of the payments process;
- use our Master Data Management technology to cleanse the data we hold on customers and build a 'golden record' for each individual customer that will allow us to engage better with them and achieve service improvements;
- introduce simplified channels and processes for our customers to tell us about their land changes;
- systematically update the Rural Land Register using the intelligence (aerial photography, Ordnance Survey data, and satellite imagery) we receive;
- improve the architecture of the Rural Land Register and make it ready for the future, including decommissioning legacy applications;
- complete standardisation and, where appropriate automation, of our land mapping processes; and
- apply the risk based approach developed in 2012/13 to address the historic inaccuracies and anomalies in the Accounts Payable and Accounts Receivable ledgers.

Improved processes and controls

For this theme we will:

- implement the results of a 2012/13 review of inspections processes, including improvements in inspection selections, leaner management processes and the ability to be more flexible in allocating resource to meet demand;
- exploit the improvements made to the Making Payments process.
- complete the review of the agency's Trader scheme processes and, subject to approval of recommendations, implement the improvements identified;
- embed processes for handling SPS applications from agents;
- continue with the transition of all processes onto the agency's business process management tool, to allow all RPA process maps to be standardised;
- review and, where appropriate, enhance 'dual use' processes introduced in 2012/13;
- enhance processes for Producer Organisations;
- transition all online guidance to a single consolidated solution, providing a consistent and user-friendly information service to customers;
- review and where appropriate improve the key control frameworks for each scheme to minimise the risk of disallowance;
- define and enhance further management information across a set of schemes identified on a priority basis, which supports identification of performance improvements and best practice; and
- deliver a single source of management information in the agency providing consistent reliable evidence to assure stakeholders and inform decision-making.

Maintained or improved technology

For this theme we will:

- deliver the SPS rollover and E-channel enhancements projects for 2013 and 2014 to ensure the agency's technology systems are maintained and enabled to deliver SPS in 2014;
- increase the online take up for the SPS E-channel in line with the agency's objective of moving towards a digital by default approach; and
- upgrade key infrastructure support services.

Fit for purpose structure and corporate services

For this theme we will:

- identify solutions for meeting the agency's future HR requirements once the existing IT solution is decommissioned; and
- continue supporting the delivery of the Defra estates strategy by adapting our estates, including further rationalisation where appropriate.

Better customer service tools

For this theme we will:

- identify the root cause of complaints and effectively address customer dissatisfaction;
- better understand the complaints we receive through improved management information and system support, and develop further process improvements to deal with recurring themes;
- deliver an improved online service offering customers choice about how they access services relevant to them and their business. We will support this with a Customer Segmented Model and a full understanding of the customer journey;
- improve electronic communications with customers, which will allow us to effectively categorise, assign and track email traffic; and
- consider the use of customer forms and where possible provide them to be completed and submitted online.

Improved people capability and capacity

For this theme we will:

- embed within business as usual the workforce and succession planning developments introduced in 2012/13, ensuring key roles in the agency are maintained and experience is shared as the workforce changes;
- improve engagement with our people to increase professionalism and embed agency values; and
- embed and expand talent management processes within the agency.

CAP Delivery Programme³

One of the biggest challenges Defra and RPA face is to effectively deliver the future Common Agricultural Policy in the most cost efficient way for taxpayers, while best supporting farmers and the rural economy.

To achieve this, RPA continues to play an integral role in delivering the Defra-led CAP Delivery Programme, which is charged with procuring a new computer system that is capable of flexibly delivering CAP services across both CAP pillars and all 4 Defra CAP delivery bodies⁴.

The programme's scope includes the full range of CAP services, from direct payments which support farm incomes, to schemes and grants that protect the environment and support rural development.

This joined-up approach will reflect the commonality in technology, processes and systems needed to deliver the majority of CAP schemes. It will drive significant improvements in customer service, transactional efficiency and accuracy, cost savings and innovation.

³ Since our last Business Plan Defra has made changes to the governance and name of this programme to reflect its widened scope embracing CAP delivery across both Pillars 1 and 2. The programme is now called the 'CAP Delivery Programme' (previously the 'Future Options Programme'). Ian Trenholm (Defra Chief Operating Officer) has replaced Mark Grimshaw (RPA Chief Executive Officer) as Senior Responsible Owner for the programme.

⁴ Rural Payments Agency, Natural England, Forestry Commission and Defra's Rural Development Programme for England Delivery Team.

In October 2012, the programme submitted its Outline Business Case to HM Treasury and the Cabinet Office outlining potential delivery solutions. The preferred option of 'multiple IT outsource' was chosen for the new schemes. This new solution is likely to be based on a 'multi-supplier jigsaw' and could potentially combine the re-use of some existing IT systems and software, and newly procured IT with an emphasis on a digital by default approach. Off-the-shelf solutions are likely to be procured wherever possible, for example, a new finance system. This will decrease the cost and risk of developing expensive and difficult to support bespoke solutions, and increase opportunities for ongoing continuity, support and upgrades.

Priorities for 2013/14

2013/14 signals a year of significant and intense activity for the CAP Delivery Programme, in which RPA will play a key part. Activities and deliverables include:

- ongoing procurement activity including an assessment of potential suppliers to identify those best placed to meet our needs;
- awarding supplier contracts;
- developing a number of the central processes and systems. For example, land registration, customer registration, finance, scheme accounting, debt management, billing and payment engine, data warehouse and operational data store;
- working with the selected suppliers to deliver some aspects of the solution in phases during 2014 and 2015⁵, in time for the 2015 scheme year;
- extending existing contracts where needed to support the current CAP schemes and systems until they close or are brought into the new solution; and
- beginning to inform our customers where existing schemes are closing and about new schemes under the Common Agricultural Policy.

Being more efficient

Through the Five Year Plan, we are working towards achieving greater efficiencies in the way we work, providing a prompt service to our customers, while maintaining value for money for the taxpayer. As we begin to implement a new and more complex set of CAP schemes, and the financial climate remains challenging, we will continue to seek efficiencies where possible across our business, to achieve savings and process improvements, and enhance our ability to support the rural economy.

Specifically, during 2012/13 the agency took steps to ensure inspection related work was linked better to operational performance. We did this by starting land eligibility work earlier than in previous years, which minimised processing delays, and introduced a tolerance on land changes to curtail unnecessary inspection generated amendments.

During 2013/14, the agency is seeking to improve organisational flexibility by combining Pillar 1 and Pillar 2 farm visits where possible, and to review our farm inspections by building on the feedback from independent customer research, the majority of which was positive. This should reduce the burden of inspections on our customers and improve their experience of them. The results from a review of inspections processes are also being implemented, including improvements in inspection selections and the ability to be more flexible in allocating resource to meet demand.

The aim of these organisational improvements is to create a flexible and capable inspectorate that can serve customers well and respond to changing demands while carrying out key controls effectively and efficiently.

⁵ This phased approach seeks to reduce the risks faced in delivering the new schemes. It allows extensive user-testing of the solution before it is introduced across its entire range, ensuring a reliable, user-friendly solution is implemented.

Additionally, during 2012/13 the agency delivered efficiencies in its SPS payments processes, including improvements in making accurate payments to our SPS customers. This will be developed further in 2013/14 along with an efficiency review of all of our non SPS scheme activity to identify further opportunities for improvement.

Finally, following desired improvements to business processes achieved through our Strategic Improvement Plan projects, our planning has provided us with confidence that we can maintain improved performance with fewer people.

Therefore, we agreed to release approximately 180 people in March 2013 as a result of these efficiencies, including 150 from our Operations Directorate. While we have no specific activity planned in 2013/14, we anticipate exploring further opportunities to reduce the number of people we employ as we move through the next financial year. However, our focus will continue to be on delivering excellent performance so we will only look at further exits when we are confident that this can be achieved without any risk to service delivery.

Better regulation

RPA is committed to achieving simplicity, wherever possible, in the implementation of the CAP payment schemes it runs. However, many European Union schemes are highly prescriptive for paying agencies, with serious financial consequences (disallowance) for not meeting statutory process requirements. Therefore, as most of RPA's work is directed by European legislation, the most achievable way for us to deliver better regulation is to make sure that we implement that legislation as appropriately as possible.

We always try to balance control requirements with flexibility to support the farming sector in focusing on its core business. For example, continued enhancement of SPS Online, the electronic application system, includes features to highlight potential issues where more information is needed from applicants. This enables farmers to solve issues more quickly, reducing the time and burden of ongoing contact with RPA and freeing their time to focus on their core business. It leads to quicker, right first time SPS payments, helping to support the rural economy.

Further, we are always aware of the need to try different approaches. For example, continuing to explore how an 'earned recognition' approach, suggested by the Farming Regulation Task Force, could be incorporated into our inspection regimes, and if feasible, implementing the approach.

Farming Regulation Task Force

RPA has embraced the recommendations of the Farming Regulation Task Force Report accepted by Defra. For example, as we committed in the 2012/13 plan, we are continuing to deliver our commitment to consult closely with stakeholders before developing and launching any new forms or guidance. This helps make sure the language, content and format of our advice, guidance and other information is helpful, easily understood and correctly applied on farm.

We continue to work closely with Defra and other members of the Defra network to make progress in reducing regulatory burdens on farmers by: increasing information and intelligence sharing with other agencies; working to make sure on-farm inspections are well co-ordinated; and helping to provide clarity to farmers about how our inspections are carried out.

We are also continuing work around County Parish Holding number allocation and livestock movement reporting, which aims to simplify the current regime, while offering livestock keepers increased flexibility to manage their holding in a way best suited to their individual needs.

Further to this, the principles of the Farming Regulation Task Force recommendations are also embedded in Strategic Improvement Plan project design and delivery.

Improved guidance

RPA produces and distributes guidance and forms to:

- tell customers about changes to regulations;
- enable them to apply for our schemes and services; and
- instruct them to tell us of any changes to their details so that we can pay them correctly and on time.

This is critical in making sure that farmers are operating within up to date guidelines and that we are meeting our paying agency obligations to the European Commission. During 2013/14 we will continue to strive to produce helpful, clear guidance, to minimise the time needed for farmers to read, understand and apply any regulatory updates. We will balance the goal of providing shorter, more succinct guidance with the need to provide access to detailed and essential information required by customers.

Cross compliance

In response to the Farming Regulation Task Force report, we are making greater use of online channels to communicate with the farming community, including making our cross compliance guidance available online only from 2013. In line with this, instead of mailing the complete guide to farmers, we are providing only cross compliance updates as a hard copy leaflet. We are working with key stakeholders and delivery agencies to support farmers as we move away from paper guidance.

We are also working to help customers access online guidance, by providing it in different formats, for example, a full online version, and a text version for those with slower connections (who may be using a dial-up connection or mobile phone). E-book versions are planned for ease of use with mobile devices for example, smart phones and tablets.

Red Tape Challenge

We are actively contributing to the government's Red Tape Challenge, largely through our response to the Farm Regulation Task Force and the work of Defra's Smarter Environmental Regulation Review. We are also working to improve the quality of our data and the customer experience.

Governance

Since our last Business Plan, we have redefined our governance structure both within RPA and in relation to the department. The decision to widen the scope of the CAP Delivery Programme to cover both Pillar 1 and Pillar 2 schemes has delivery implications for not only RPA, but also Defra, Natural England and the Forestry Commission. Therefore, Defra's Chief Operating Officer has taken over from RPA's Chief Executive Officer as Senior Responsible Officer for the programme.

Programme governance has been redesigned to ensure clear lines of accountability and responsibility, to make sure that risks and blockages are identified and dealt with promptly. This also provides clear links between CAP negotiations, delivery teams, and those in charge of individual areas of policy.

For a detailed overview of our current governance arrangements, please read Annexes C and D.

Risk management

During 2013/14 we will continue to deliver improved risk management, focusing on requirements identified by the 2011/12 review. These are designed to move the agency from a 'risk aware' organisation to one that proactively manages risk. Clear objectives now detail the outcomes we want to achieve from risk management.

Our new approach is more proactive and focused, it will improve risk management of current activities and improve our planning for future activities. The new risk process supports RPA's governance framework by providing risk management assurance together with reliable and useful information. This is particularly important given the high risks associated with our role as a CAP paying agency, processing over £2 billion of scheme expenditure annually, and the stringent European Union audit requirements that come with this.

However, we recognise that 2013/14 will be a year in which the risk profile is challenging. Significant risks are associated with balancing our business as usual activities against the significant level of change from the ongoing implementation of the Five Year Plan and upcoming CAP reform. Effective governance processes are in place to support this. We are also developing our role in relation to compliance advice and guidance, helping to build the necessary controls into new schemes and systems and working to ensure they are verifiable from the start.

A central element of this, which is expected to present some of the most significant risks to the agency, is the uncertainty and possible complexity that delivering CAP reform may bring. We will be working closely with colleagues in Defra and specifically within the CAP Delivery Programme to ensure this complexity is taken account of in the solution being developed.

To ensure there is sufficient challenge, the main governance bodies within the agency actively engage in the management of our main risks. Specifically, the Executive Team conducts an in depth risk review on a quarterly basis. The most significant risks identified are considered and challenged by the Agency Management Board also on a quarterly basis, and by the Defra Corporate Owner at the Quarterly Performance Review.

Further, the Audit and Risk Committee is an integral part of the risk management process, considering the risk register as part of their regular meetings.

Stakeholder engagement

We will continue working closely and effectively with our stakeholders to ensure that we provide the best possible services for our customers.

In particular, engagement in 2013/14 will be key as we use the support of our industry partners to understand and develop the new CAP schemes, prepare for their implementation through the CAP Delivery Programme and help our customers make the transition to digital by default service delivery. Throughout this process we must manage uncertainty and complexity while maintaining a high level of customer service.

The key stakeholders representing our customers include:

- The National Farmers' Union.
- The Tenant Farmers' Association.
- The Country Land and Business Association.
- The Central Association of Agricultural Valuers.
- The British Institute of Agricultural Consultants.
- The Institute of Agricultural Secretaries and Administrators.

We also work closely with a wide range of organisations involved with farming and the countryside including land agents, welfare organisations, management consultants, accountants with a specialist farming interest, organisations representing graziers on common land, Wildlife Trusts and environmental organisations.

We understand the challenges that CAP reform will bring for our customers and we will work proactively with these stakeholders to find mutually beneficial ways of using their expertise to help our customers understand the new rules and our online services.

For example, we will engage through our Technical and Environmental Stakeholder Groups, which meet regularly at national level, this helps us to get messages out to their members and their input informs how we develop our processes and communication. We are also delivering specific projects working with agents to make it easier for them to help their clients.

In addition, a key area of improvement under our Strategic Improvement Plan has been to boost engagement further with stakeholders to make sure that we deliver our services more effectively for them and the people they represent.

This involvement enables stakeholders representing the range of our customer groups to contribute to our activities and policies, for example, payment scheme guidance, communicating with the farming sector and our Digital by Default strategy.

We also attend events and seminars to communicate and understand important issues better, including where our service could be improved to meet the needs of our customers.

Lastly, we will continue to work with Defra to make best use of the RPA Farmer Panel, which has been providing a valuable insight into how the CAP reform changes may affect our customers and change their farming behaviours.

Sharing our data

Our data will be an important part of the CAP Delivery Programme and be used to support the new business processes run by Natural England, Forestry Commission and the Defra Rural Development Programme for England Delivery Team as well as RPA. As part of this we are exploring how to securely share as much of this data as possible with our customers. For example, we want to be able to provide the data we hold about customers' land with them online, so they can access it and update it as appropriate. This will make their interaction with us easier, and help inform the decisions they make in relation to the services we provide to them.

Joint working and service delivery reform

Working with the Defra network

Joint working is central to RPA's work. As a paying agency for CAP schemes we have responsibilities that stretch outside of the immediate boundaries of our organisation, including making payments for schemes run by other parts of the Defra network. We work extremely closely with Defra, Natural England, the Animal Health and Veterinary Laboratories Agency, Forestry Commission, Environment Agency, devolved administrations and others.

This joint working has also been enhanced and strengthened by our involvement in the Defra-led CAP Delivery Programme, where we are working closely with Natural England, the Forestry Commission and the Defra Rural Development Programme for England Delivery Team to design the specification for the new, shared, CAP reform computer system, ensuring it meets regulatory requirements and is customer friendly.

This ongoing joint working also includes sharing knowledge to help develop new and innovative responses to reduce regulatory burden and support the rural economy. This includes working with the Defra network on the agreed recommendations of the Farming Regulation Taskforce Report.

Digital by Default

The government's Digital by Default strategy is an integral part of the implementation of Defra's CAP Delivery Programme. Our goal for the CAP Delivery Programme launch is to ensure as many of our customers who are able to make payment applications online do so. In 2012, 42,500 customers applied online for SPS and we plan to significantly increase that number in 2013.

We will deliver an ongoing programme of support to encourage customers to apply online, and also to assist and support those customers who face barriers to applying online, working closely with other Defra agencies and our key industry stakeholders.

We will also work closely with Defra and the Government Digital Service in 2013/14 on the development of our new Digital Services Strategy and the migration of RPA website content, information and guidance to GOV.UK.

Sustainable development

RPA has continued to make progress in this area during 2012/13, exceeding all of our published commitments, and we plan to go further in reducing our impact on the environment during 2013/14.

For example, RPA has reduced the amount of paper sent to our customers by encouraging online applications for our main schemes. Electronic take-up has increased considerably over the past 2 years, with over 41% of customers now applying online. This equates to approximately 50,000 documents that no longer have to be printed, delivered and eventually disposed of. In addition, 90% of cattle movements are now reported online which also contributes to reducing our demand for resources.

RPA continues to achieve an excellent 'Greening Government Commitment' performance. From a revised agency baseline figure (2009/10) of 6,421 tonnes we have reduced our output of carbon through buildings and transport to 4,037 tonnes in the last year. We have already exceeded the 25% target for 2014/15 of 4,816 tonnes. Currently carbon consumption shows a 40% reduction against baseline. We have achieved this through adjusting our estate and an ongoing programme to change behaviours and make our people 'think carbon'.

We have exceeded water reduction targets and achieved a recycling/waste recovery rate in excess of 88%, with the amount sent to landfill continuing to fall. Water consumption has reduced from baseline of 16,116m³ to 15,125m³. Activity in 2013/14 will include investigating the use of brown water systems at some of our sites.

Our specific targets for 2013/14 to fulfill departmental greening government commitments are:

- to reduce carbon to 3,600 tonnes (44% reduction from baseline);
- to reduce waste to 300 tonnes (51.5% reduction from baseline); and
- to reduce water consumption to less than 14,000m³ (13.2% reduction from baseline).

Our activities in 2013/14 will aim to adapt our estate and change behaviours. In particular, we will focus on reducing business travel to reduce carbon load.

Health and Safety

RPA is committed to the safety and security of both its people and its customers. We have an active Health and Safety team which works to improve our people's understanding, identifies and mitigates risk, deals with any incidents that occur, and ensures that lessons are learned and best practice is followed.

Our focus for 2013/14 will be around:

- improving health and safety awareness throughout the agency;
- reducing the occurrence of musculo skeletal injuries;
- monitoring work related stress referrals and working with stakeholders to reduce these;
- ensuring that our field based inspectors are trained and equipped to deal with the additional risks that they face; and
- maintaining a very low number of RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrence Regulations 1996) reports (2 in 2012/13 compared with 4 in 2011/12) and aspiring to a target of zero.

Human Resources

A central focus in RPA is to continue to develop a professional and engaged workforce to support the achievement of our objectives. In 2012/13, through the Strategic Improvement Plan, we made good progress in the areas of increased capacity and capability, and improved engagement of our people.

In 2013/14, we will continue to improve our people management in areas including talent management, workforce planning and modernising our employment offer. This is demonstrated by the 'Improved people capability and capacity' theme of the Strategic Improvement Plan on page 10.

In 2012/13 we launched a Talent Management Programme designed to encourage people to fulfil their potential and develop their careers within the RPA and the wider civil service. Having selected our talent during the 2012/13 year we will introduce tailored development opportunities for these people during 2013/14, including mentoring and placement into key roles around the agency.

We also launched our Leadership Development Programme in early 2012, targeted at all managerial levels. During 2013/14 we will continue to work with our leadership cohorts, supporting and developing them to ensure we have clear and visible leadership and that people are enabled to lead and make decisions effectively for the benefit of our customers and our people.

We have committed to offer all our people 20 hours development time as identified as part of the Civil Service Reform Plan, through encouraging the use of the development and resources available via the Civil Service Learning (CSL) website.

Further, our workforce planning activity has allowed us to better match the supply of people with business demand and to forecast future requirements. We expect to continue to realise efficiencies through improvements in systems and processes and to reduce our workforce numbers using voluntary schemes during 2013/14. We also expect to develop more flexible resourcing options that will enable us to respond more efficiently to business peak demands.

Finally, following the publication of the Civil Service Reform Plan in June 2012 we have started to look at opportunities for modernising the employment offer we make to our people and to ensure optimum business driven terms and conditions, and reward and recognition strategies, this will continue during 2013/14. This is part of a wider civil service and Defra approach to which RPA will be aligned.

We will also continue to produce information concerning the agency's workforce, including diversity and higher level salaries as required by the government's Equality and Transparency initiatives. In addition we will continue to monitor customer diversity and equality information in line with the commitments we have made under the Public Sector Equality Duty.

Annex A - Financial information

Table 1: 2013/14 Budget allocations

Admin	£000	
Pay	Total A	32,142
Consultancy	B	0
Estates and Accommodation	B	10,319
Information Technology (IT)	B	19,854
Office Services	B	7,202
Travel and Subsistence (T&S)	B	1,491
Other Non-Pay	B	3,183
Temporary Employees	B	7,198
Advertising and Marketing	B	0
Scheme Costs	B	1,647
Depreciation	B	19,720
Redundancy Costs	B	0
Strategic Improvement Plan	B	8,700
Non-Pay	Total B	79,314
Defra Core Income	C	(560)
Defra Network Income	C	0
Other Government Department	C	0
External Income	C	0
Total Income	Total C	(560)
Total Admin	Total A, B & C	110,896
Programme		
Pay	Total D	39,588
Consultancy	E	0
Estates and Accommodation	E	22
Information Technology (IT)	E	8,382
Office Services	E	453
Travel and Subsistence (T&S)	E	1,476
Other Non-Pay	E	3,736
Temporary Employees	E	0
Advertising and Marketing	E	0
Scheme Costs	E	1,058
Depreciation	E	0
Redundancy Costs	E	0
Non-Pay	Total E	15,127
Defra Core Income	F	(1,066)
Defra Network Income	F	0
Other Government Department	F	0
External Income	F	(39)
Total Income	Total F	(1,105)
Total Programme	Total D, E & F	53,610
Total Resource Departmental Expenditure Limit (DEL)	Total A, B, C, D, E & F	164,506
Total Resource Capital Departmental Expenditure Limit (CDEL)	Total G	0
Total DEL	Total A, B, C, D, E, F & G	164,506
Total Annual Managed Expenditure (AME)		0

Table 2: 2013/14 Activity based budgets

Activities	£000				Annually Managed Expenditure
	Departmental Expenditure Limit				Programme
	Admin Pay	Admin Non-Pay	Admin Income	Programme	Programme
External Relations	2,913	2,325	0	0	0
Customer	3,684	390	0	0	0
Design and Change	10,382	1,936	0	0	0
Information Technology	4,516	22,075	0	7,198	0
Human Resources	2,122	2,654	0	0	0
Planning and Performance	4,504	789	0	1,184	0
Operations	0	0	0	41,097	0
Finance, Assurance and Commercial	11,232	11,601	(560)	0	0
Internal Audit	960	18	0	0	0
Strategic Improvement Plan/Future Options Programme	0	8,700	0	0	0
Centrally Managed Costs	0	20,655	0	4,131	0
Total	40,313	71,143	(560)	53,610	0

Table 3a: Indicative Spending Review allocations

		£000		
		2012/13 Outturn	2013/14 Budget	2014/15 Indicative Allocation
Admin Departmental Expenditure Limit (DEL)	Pay	29,121	32,142	32,233
	Non-Pay	70,609	79,314	67,383
	Income	(601)	(560)	
	Total	99,129	110,896	99,616
Programme DEL	Programme Expenditure – Running Costs	71,681	54,715	51,210
	Programme Expenditure – Scheme	19,839	0	0
	Programme Income	(1,371)	(1,105)	(1,100)
	Total	90,149	53,610	50,110
	Total Resource DEL	189,278	164,506	149,726
	Capital	1,860	0	0
	Grand Total	191,138	164,506	149,726

Table 3b: Indicative requirement

	£000		
	2012/13 Outturn	2013/14 Budget	2014/15 Indicative Allocation
Indicative total Departmental Expenditure Limit (DEL) requirement	191,138	164,506	149,726

Table 4: Employee levels

	2012/13 Forecast Outturn		2013/14		2014/15	
	Admin	Prog	Admin	Prog	Admin	Prog
Permanent Employees	719	1,552	833	1,311	833	1,311
Consultants	58		51			
Temporary Employees	45		14			
Total full time equivalents	822	1,552	899	1,311	833	1,311
Movement from previous year			77	(241)	(65)	0

Table 5: Forecast balance sheet

Statement of Financial Position	£000	
	2011/12	Pre-audited Accounts 31/03/13
Property, Plant and Equipment	5,526	4,083
Other non-current assets	38,840	28,292
Total non-current assets	44,366	32,375
Stock	2,132	0
Trade and other receivables	527,996	421,155
Derivative asset	17,596	3,628
Cash and cash equivalents	172,508	95,479
Total current assets	720,232	520,262
Current liabilities	(94,110)	(71,252)
Non-current liabilities		
Other liabilities	(112,751)	(113,052)
Provisions	(2,780)	(1,032)
Assets less liabilities	554,957	367,301
General Fund	546,705	366,294
Cash Flow Hedge Reserve	6,179	(1,832)
Revaluation reserve	2,073	2,839
Total taxpayers' equity	554,957	367,301

Table 6: Common areas of spend

Theme	Measure	2012/13
Estate Costs	Total office estate (sqm)	26,754 ¹
	Total cost of office estate (£m)	10.31
	Cost per FTE (£)	4,280
	Cost per sqm (£)	385
Procurement	Total procurement spend (£m)	72.21
Energy	Average price of energy (£/kwh)	0.094
IT	Total third party ICT costs (£m)	29.11
	Cost of desktop provision per headcount (£)	409
Corporate Service Cost	Human Resources (£m)	3.97
	Finance (£m)	2.04
	Procurement (£m)	0.83
	Legal (£m)	Nil
	Communications (£m)	0.988
	Back office costs as a percentage of overall costs (%)	14.45
People	Average people costs (£) per FTE	44,562
	Number of recruitment exceptions	67

¹ Due to ongoing rationalisation of our estates, including leaving the Kings House building in Reading, we have reduced our estates footprint from 37,780m² in quarter 4 of 2010/11 to 26,754m² in quarter 4 of 2012/13.

Annex B

Strategic Improvement Plan

Table 1: Progress made on public commitments from the Five Year Plan

Outputs	Projects/Commitments	2012/13	2013/14	2014/15
Cleansed Data	SPS Entitlement Register Enhancement	Complete		
	Cleanse Accounts Payable/Accounts Receivable ledger (Achieving accurate financial data for RPA)		✓Q4	
	Identify, cleanse, clear and update debt data (Achieving accurate financial data for RPA)		✓Q4	
	Investigation and Clearance of discrepancies arising from Interfaces between RITA and Oregon (Achieving accurate financial data for RPA)		✓Q4	
	Improving the Customer Register		✓	✓Q4
	Improve Accuracy and Currency of RLR		✓	✓Q4
Improved Processes	SPS Complex Case Working	Complete		
	Establish single point of claim value confirmation	Complete		
	Funding of legal risks following F&V PO review	Complete		
	Engage with Defra to determine future of bovine and sheep electronic identification (EID) requirements	Complete		
	Engage with Defra on MacDonald Review recommendations	Complete		
	Identify and improve key business processes		✓Q4	
	Introduce Common Online Guidance for all Business Processes		✓	✓Q1
	Establish effective Quality Assurance Team (phased approach)		✓	✓Q4
Improved Controls	Develop Coherent and Rationalised MI Solution	Complete		
	Establish key controls framework for each scheme	Complete		
	Introduce Analytics Capability		✓	✓Q4
	Enhance and Exploit Data Warehouse		✓	✓Q4
	Define and Improve Financial Controls and Reporting		✓	✓Q4
Maintained/ Approved Technology	Out of Support Systems – Server Decommissioning	Complete		
	Final settlement of previous years SPS claims	Complete		
	RITA Infrastructure Out of Support	Complete		
	'CESG' enhanced security requirements	Complete ¹		
	SPS Rollover/e-channel enhancements (12/13/14) (annual rollover delivered in Q1 each year, 2014 rollover requires EU and member state endorsement)	Complete	✓Q1	✓Q1
	Upgrade Key Infrastructure Support Services		✓Q3	
	Implement improvements to SPS Online		✓Q3	

¹ Public commitment no longer required to enable delivery of the Five Year Plan

Table continues on pages 24 to 25.

What do they deliver?
<ul style="list-style-type: none"> • Clean, accurate, up to date data • Significant savings in running costs post CAP 2013 implementation • Reduces need for manual interventions leading to fewer errors and swifter payments • Enables right starting position for CAP 2013 • Addresses legacy issues and criticisms • Fulfils recommendations in various reviews and from the Public Accounts Committee • Reduces the risk of disallowance and lays the foundations for its reduction • Accurate knowledge of the debtor/creditor position
<ul style="list-style-type: none"> • Reduces errors in value of SPS claims by improving processes of interaction between finance system and RITA • Reduction in local work-arounds, leading to more flexible workforce, encouraging efficiency and reducing errors • Ultimately fewer errors resulting from inconsistent guidance, and improved customer satisfaction • Better understanding of processes, reduced number of procedure and maintenance manuals
<ul style="list-style-type: none"> • Delivers data warehouse and improves our MI function, enabling RPA and Defra to have a better understanding of the agency's business and performance, allowing us to better model the impact of future change, and meet review recommendations • Consistent application of controls and guidance across the agency • Standardisation of a single operating model to help in implementation of CAP 2013 changes • Far lower rate of degradation of data (once cleansed)
<ul style="list-style-type: none"> • Upgrades the agency's servers • Upgrades to key systems software supporting RITA and technical infrastructure supporting our servers • Ensures sustainable support levels, reducing risk of system outage and associated poor customer service • Aligns the agency's standard applications with Defra's • Implements necessary security controls for continued GSI accreditation • Improves the SPS Online service, encouraging online take-up

Table 1: Progress made on public commitments from the Five Year Plan (continued)

Outputs	Projects/Commitments	2012/13	2013/14	2014/15
Fit for Purpose Structure & Corporate Services	Payroll Contract Renewal (dependency with Shared Service may result in additional work)	Complete ¹		
	Running Cost Efficiency Programme	Complete		
	Shared Services and Finance Systems upgrade		✓Q3	
	Corporate Services Project; strategic interactions with Defra		✓Q3	
	Establish Existing Supplier Relationships		✓Q4	
	Make use of Existing Supplier Partners		✓Q4	
	Deliver Estates Strategy in line with Defra		✓Q4	
	Review and Define Chart of Accounts		✓Q4	
	Review Existing Supplier Relationship/Partner Processes		✓	✓Q4
Better Customer Service Tools	Re-engineer Complaints & Appeals Handling	Complete		
	Improve Stakeholder Relationship Management		✓Q4	
	Analyse and Improve Customer Experience and Customer Insight		✓	✓Q4
Improved People Capability & Capacity	Workforce Planning and Resourcing Strategy	Complete		
	Realign Resources into ARC (Organisation chart)	Complete		
	Define Performance & Measurement Frameworks	Complete		
	Professional and Engaged Workforce	Complete		
	Next Generation Human Resources (HR)	Complete		
	Leadership, Talent Management & Succession Management	Complete		
	Implement the Operational Delivery Plan		✓	✓Q4

¹ Public commitment no longer required to enable delivery of the Five Year Plan

What do they deliver?

- An improved relationship with the department, reducing risks of further problems arising as a result of misunderstanding or miscommunication, and meeting review recommendations
- Enables the agency to be a more intelligent customer, commissioning the right services from the right supplier, dealing with change more effectively and offering better value for money for the taxpayer
- Develops capacity to better identify and deliver ongoing efficiency and value for money
- Optimise the number of people dealing directly with claims and customers, improving our resource modelling

- Complaints handling database to support delivery of improved processes for dealing with complaints and appeals
- Meeting the recommendations of the Parliamentary Ombudsman
- Standard agency-wide approach to customer service, ensuring better service for our customers

- More effective performance management through clearer key performance indicators and improved accountabilities
- Development of the agency's people, including improved leadership skills
- Bringing the agency's HR policies more into line with Defra and the civil service as a whole

Table 2: New initiatives to support delivery of the Five Year Plan¹

Outputs	Projects/Commitments
Cleansed Data	Enhance the technology supporting Single Payment Scheme claims
	Rural Land Register: Common Land
Improved Processes	Review and improve the Intentional Over Declaration process
	Enhance Dual Use Land Controls
	Dairy Producer Organisations
	Fruit & Vegetable Association Producer Organisation
	Implement a series of rural development scheme changes
Electronic Animal Death Reporting	
Improved Controls	Risk Management Approach
	Ensure delivery of Matrix 2012 data in line with EU regulations
	Outsource British Cattle Movement Service scanning activity
	Introduce savings through telecoms efficiency
	Upgrade the Risk & Policy Management Systems in the agency
Update the Electronic Pigs Interface Solutions	
Maintained/ Approved Technology	Implement Desktop Transition, simplifying the I&T estate
	Ensure the agency meets CSEG Mandatory Requirements
	Improve the resilience of the agency's mobile working solution
	Improve the resilience of the I&T supporting the Workington office
	Improve the resilience of I&T supporting the Cattle Ear Tagging Solution
	Review and address any Microsoft Supported I&T
	Introduce a Small Applications Support Model
	Introduce an Uplands Transitional Payment for farmers in Severely Disadvantaged Areas
	Sheep and Goat Electronic Movement
Enhance the Communication Security within our I&T Infrastructure	
Fit for Purpose Structure & Corporate	Government Digital Services
	Information & Support Services
	Digital By Default

¹ This table details improvement projects that have been agreed since the publication of our Five Year Plan in February 2012. They are all designed to support the achievement of our core objectives, as outlined in the Five Year Plan.

Progress	What do they deliver?
On target	<ul style="list-style-type: none"> • A secure, reliable, platform supporting the Single Payment Scheme
On target	<ul style="list-style-type: none"> • Accurate commons data relating to mapping, rights and additionally develop policy
Complete	<ul style="list-style-type: none"> • Improved Intentional Over Declaration handling
On target	<ul style="list-style-type: none"> • Enhanced Dual Use controls, improving process consistency
On target	<ul style="list-style-type: none"> • A Dairy Producer Association scheme in line with EU regulations
On target	<ul style="list-style-type: none"> • An Association Producer Organisation scheme in line with EU regulations
On target	<ul style="list-style-type: none"> • Schemes compliant with Rural Development Programme for England guidelines
On target	<ul style="list-style-type: none"> • Animal Death Reporting processes aligned to government guidelines
Complete	<ul style="list-style-type: none"> • Improved Risk Management processes across the agency
Complete	<ul style="list-style-type: none"> • 2012 Matrix data delivered to the EU in line with regulations
On target	<ul style="list-style-type: none"> • Reduced operational costs
On target	<ul style="list-style-type: none"> • Improved telecoms efficiency
On target	<ul style="list-style-type: none"> • A more reliable Risk and Compliance Management system
On target	<ul style="list-style-type: none"> • Upgraded pig interface to the Animal Movement Licence System
Complete	<ul style="list-style-type: none"> • Upgrades the agency's servers
Complete	<ul style="list-style-type: none"> • Implements necessary security controls for continued government security accreditation
Complete	<ul style="list-style-type: none"> • Reliable I&T supporting the agency's mobile workers
Complete	<ul style="list-style-type: none"> • Sustainable technical support levels, reduced risk of system outage and associated poor customer service
Complete	<ul style="list-style-type: none"> • Upgraded key systems software and technical infrastructure supporting our servers
On target	<ul style="list-style-type: none"> • Reduced risk across the agency by introducing third party for business critical small applications
On target	<ul style="list-style-type: none"> • Uplands Transitional Payment scheme introduced
On target	<ul style="list-style-type: none"> • An enhanced Sheep and Goat movement solution in line with government guidelines
On target	<ul style="list-style-type: none"> • Enhanced I&T security
On target	<ul style="list-style-type: none"> • Enhanced intranet and internet sites in line with government guidelines
On target	<ul style="list-style-type: none"> • A pilot exploring effectiveness of a new direct information service to our customers
On target	<ul style="list-style-type: none"> • Increased Single Payment Scheme applications via the online channel

Annex C

Governance

Roles of key individuals

Defra's Secretary of State has overall responsibility for RPA and is accountable to Parliament for all matters concerning the agency. However, ministerial responsibility and oversight for RPA has been assigned to the Minister of State for Agriculture and Food.

Defra's Permanent Secretary, as Principal Accounting Officer, is the principal adviser to the Secretary of State on matters affecting Defra as a whole, including resource allocations across the department, and is responsible for ensuring a high standard of financial management.

Defra's Chief Operating Officer is responsible for the overall performance of the agency and appoints and line manages RPA's Chief Executive Officer.

The Chief Executive Officer is designated as the agency's Accounting Officer by the Principal Accounting Officer, and must be satisfied that the agency has adequate risk management, financial systems and procedures in place to support the efficient and economical conduct of its business, safeguard financial propriety and regularity, safeguard its reputation, and ensure business continuity.

Principal governance meetings

In 2010, Defra established an Oversight Board, chaired by the Minister of State, to exercise direct ministerial strategic supervision of the agency and to drive improvements in performance. As a direct result of the agency's improved performance over the last 2 years ministers have agreed to suspend the Oversight Board for 1 year during which time enhanced governance arrangements are trialled, with the Oversight Board replaced by a Quarterly Performance Review between the Chief Executive Officer and Defra Corporate Owner and Corporate Customer. The intention of this new framework is to reduce the level of bureaucracy and improve the efficiency of the process associated with formal boards while still providing the Minister and Defra with the necessary reassurance on our performance.

The Agency Management Board brings together the non-executive chair, Chief Executive Officer, nominated RPA executive directors and non-executive directors. The Defra Corporate Customer is also a member of the board. The Agency Management Board has responsibility for setting the agency's strategic direction and making strategic choices. It takes responsibility for the agency's performance and agrees the issues that should be escalated to Defra. It is chaired by a non-executive director. The chair and Chief Executive Officer work closely to ensure that the Agency Management Board effectively supports and challenges the agency's Executive Team.

The role of RPA's non-executive directors is to advise, support and challenge the Executive Team by bringing in experience and expertise from different areas, including the private sector.

The Audit and Risk Committee is formed of non-executive directors, some of whom also sit on the Agency Management Board. It is responsible for advising both the Agency Management Board and the Chief Executive Officer (as Accounting Officer) on matters relating to risk, control and governance.

The Executive Team is the primary tactical decision-making group and brings together all the agency's executive directors. Its members also have central roles across the range of other governance activity which ensures consistency in the quality and appropriateness of where decisions are made.

The Disallowance and Accreditation Committee is responsible for providing advice to the Executive Team and Accounting Officer on matters relating to disallowance by the European Union and RPA's accreditation as an EU Paying Agency.

The principal governance meetings outlined above are also supported by a number of additional groups covering specific elements of the agency's operation. These have central roles in the management of some of the main risks associated with the RPA. These meetings are shown in Annex D.

Relationship between RPA and Defra

The Permanent Secretary has appointed Defra's Chief Operating Officer, who is a member of the Defra Executive Committee, as Corporate Owner to act on their behalf on day to day issues and generate the close contact needed between Defra and the agency. The Corporate Owner is responsible for overseeing the overall performance of the agency and carries out Quarterly Performance Reviews to hold RPA to account on the detail of its performance, risk reporting and corporate matters.

The Corporate Owner, on behalf of the Permanent Secretary, has appointed a Corporate Customer from within the senior management team. The role of the Corporate Customer is to provide a high level interface with the agency on all matters relating to the overall delivery and quality of services provided. They support the Minister and the Corporate Owner in making sure that Defra's and other agencies' requirements of RPA are being met.

Within the department, Defra's RPA Customer Policy Team has the day to day lead in advising the Minister, Corporate Owner and Corporate Customer on their responsibilities in relation to the agency. This involves balancing a range of interests that Defra, and government more broadly, has in the organisation. The RPA Customer Policy Team and the Executive Agencies Team act as the main Defra interfaces to the agency.

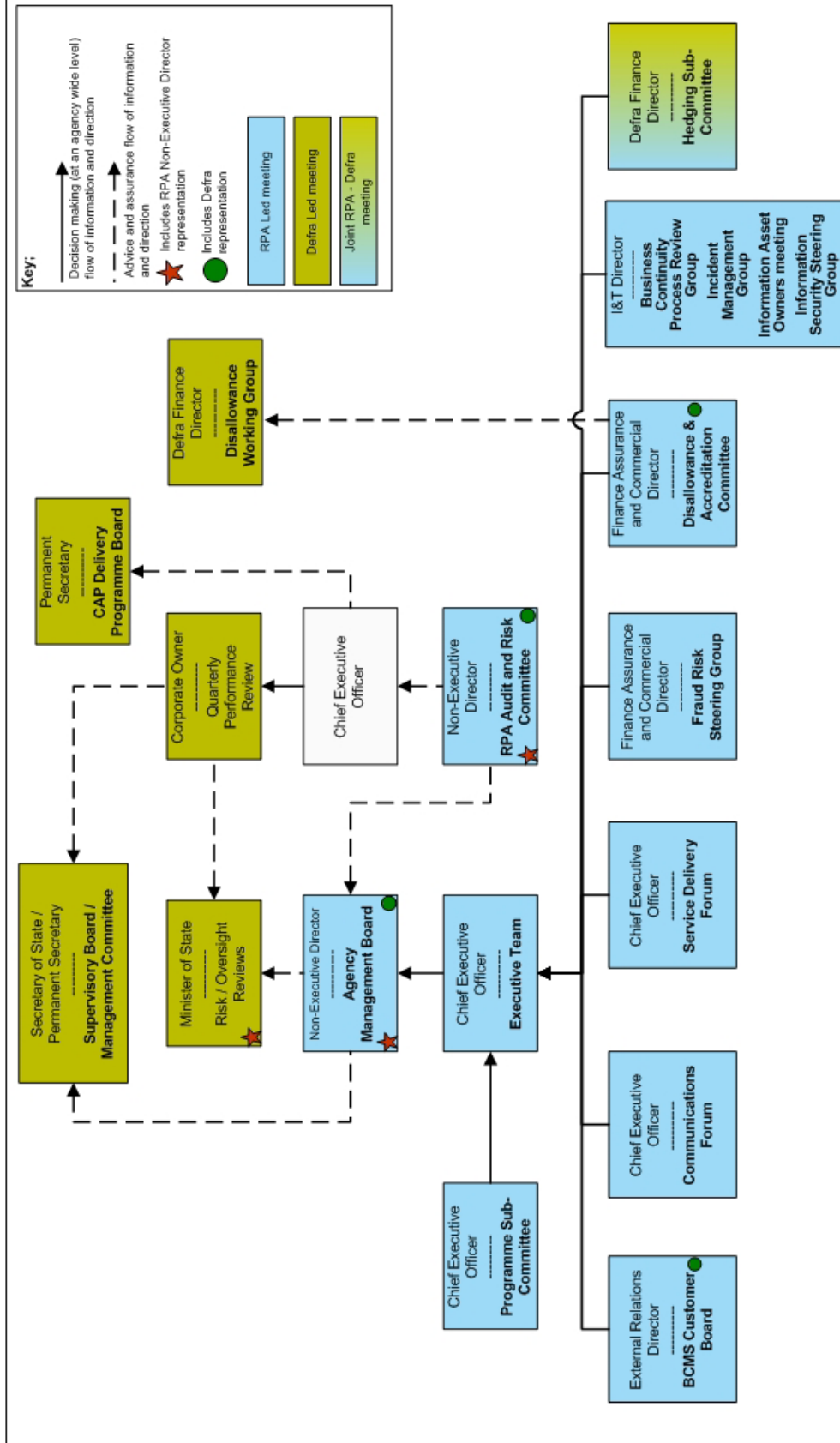
Internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

Annex D

Overview of RPA governance structure

RPA Governance Overview



Annex E

Potential new activity

During the business planning process for 2013/14 Defra has made RPA aware of a number of areas of potential new activity for this year. When the requirements become clearer, we will work with Defra to determine and agree what needs to be done and the best way to implement them, taking account of the fact that some activities will require new resources or reprioritisation.

These areas include:

- CAP reform – there are a number of domestic decisions that Defra will need to take on CAP reform that will have impacts on the agency. For example, if Defra chooses to implement the Areas of Natural Constraint designation under Pillar 1 or Pillar 2 of the Common Agricultural Policy, starting in 2013/14 RPA will need to incorporate the designation into its Rural Land Register and inform customers of the change. Similar mapping activity may also be required in other areas including greening and the Basic Payments Scheme regions.
- Olive Oil Sampling Regime – this is dependent on the outcome of European Union negotiations, but is likely to involve RPA needing to set up processes to inspect olive oil bottlers; and to take samples from the bottlers and at retail level. Both inspections and sampling will be based on a risk profile.
- Cross compliance penalties – during 2013/14 cross compliance controls regarding TB testing should be amended to mitigate potential disallowance risk in this area (meeting legal obligations for animal health breaches of cross compliance regulations) and strengthen disease control policies by encouraging compliance with the TB testing regime. This could require RPA to undertake a delivery impact assessment including new 'claim holds' and review existing referral processes with Animal Health and Veterinary Laboratories Agency.
- Farming Regulation Task Force – RPA is continuing ongoing work with Defra and other key stakeholders to explore the implementation of an earned recognition approach into on-farm inspection regimes.
- Fruit and Vegetable Producer Organisations – there is the potential for regulatory changes in the Fruit and Vegetable sector that, if confirmed, will require changes in guidance to our customers, business processes and procedures for our people. Defra is also considering some areas where the current scheme could be enhanced that could require RPA involvement, for example, the monitoring and evaluation of operational programmes.

Annex F

How to contact us

Letter

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Text Relay is available to enable deaf, deafblind, deafened, hard of hearing and speech impaired people to communicate with hearing people by telephone.

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For BCMS using Text Relay dial: 18001 0845 050 1234

Please call our Customer Service Centre on 0845 603 7777 if you need this plan in any other format.

Our website: www.rpa.defra.gov.uk
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