

Strategic Environmental Assessment of the Rural Development Programme for England 2007-2013

**SEA Statement
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1. Introduction & Purpose of Paper

The process of preparation of the Rural Development Programme for England 2007-2013 (RDPE) has been subject to a Strategic Environmental Assessment (SEA) under European Directive 2001/42/EC "on the assessment of the effects of certain plans and programmes on the environment".

There are a number of stages in the SEA process, including preparation of an Environmental Report, which describes the likely impacts of the Plan. Consultation on both the Environmental Report and the Plan is then undertaken.

Following consultation, the final stage of the SEA process is the production of a SEA Statement (this document).

The SEA Statement provides:

- A summary of the aims of the RDPE, and the issues raised in the Environmental Report.
- A description of the consultation process undertaken, and of ways in which stakeholders were involved more widely in the development of the Plan.
- The issues raised by stakeholders in the consultation.
- Finally, a table is presented which summarises the key points made, together with Defra's response to them.

The remaining sections provide detail against these headings.

A list of the organisations which responded to the consultation is included as an Annex to this Statement, but individual organisations' responses are not provided.

2. Focus of the RDPE, and Issues Raised in the Environmental Report

The RDPE Programme Document is strongly focused on addressing environmental issues which are closely related to historic patterns of farming and forestry. In line with wider sustainable development policy aims, the new Programme seeks to address these issues in ways which integrate social and environmental factors, where these are closely linked to agricultural and forestry activities and, to some extent, with wider rural development.

The RDPE emphasises that, while other funding streams can be, and are, used to support economic and social development in rural areas, European legislation controls the interventions which can be made in the agricultural and forestry sectors. Effectively, the RDPE represents the only significant source of funding to deliver enhanced land management policy objectives.

Following from this background, and taking into account EC requirements, the RDPE sets out detailed proposals under each of three Axes:

- Improving the competitiveness of the farming and forestry sectors (Axis 1);
- Improving the environment and countryside (Axis 2);
- Rural quality of life and diversification of the rural economy (Axis 3).

In addition, a minimum of 5% of the European Funding (potentially from across all Axes) must be delivered through a cross cutting Axis 4 which gives a strong role to representatives of the local community. This is known as the Leader approach.

Development of the RDPE

From February-May 2006, Defra undertook a consultation exercise which looked at the priorities for the 2007-2013 Programme. The consultation document proposed that resources, reflecting the background above, should be focused on agri-environment activities under Axis 2.

The full range of activities to be supported by the RDPE is set out in more detail below.

- Agri-environment schemes and associated training.
- Schemes to improve the management and extent of woodland, and associated training.
- The development and marketing of biomass crops, and associated training
- Activities which add value to agricultural or woodland products, including the development of supply chains.
- Activities around environmental and cultural tourism.
- Activities which encourage diversification of agriculture and of the wider rural economy, other than in those areas described above.
- Activities which contribute to conservation and upgrading of the rural heritage and environmental assets.
- Activities which concentrate on the wider development of sustainable rural communities.

Funding within Axis 2 is concentrated on agri-environment schemes, particularly Environmental Stewardship, which was launched under the previous Programme in 2005. Its aim is to safeguard and enhance existing environmental assets, beyond levels required as a condition of mainstream funding and legislative requirements, and also to encourage and support some improvement works.

Environmental Stewardship operates at two levels.

Entry Level Stewardship (ELS, together with a parallel scheme for organic land, OELS) is available to all land managers who wish to enter it. It is expected that over half of all farm holdings in England will participate in the scheme, thereby providing environmental benefits over much wider areas than has been the case in the past.

Payments under this scheme are made on an area basis, and entry to the scheme is dependent on individual farmers undertaking management actions for which points are allocated. The ELS application process has been designed to be as straightforward as possible.

Higher Level Stewardship (HLS) is designed to complement ELS, by providing additional and targeted funding to deliver environmental benefits in high priority situations and areas, where more complex land management is required. HLS is a competitive scheme. Less funding is available in total than for ELS. Details of the financial package were not available

at the time of writing of the Environmental Report, but have now been provided; the implications are considered below.

Key Findings from the SEA Process

The Environmental Report is the main document produced as part of the SEA process, and contains detailed assessments of the RDPE proposals.

The assessment was, overall, very strongly positive; concluding that the activities proposed would be likely to have moderate or strong positive impacts against most SEA criteria, particularly biodiversity, habitat, water management and distinctive landscape features. The assessment also suggested that the Programme will also contribute, although less strongly, towards the reduction of climate change emissions, and to adaptation, primarily through encouraging the expansion and linking of habitats to permit species migration.

Limited assessment of social and economic impacts was also undertaken in the Environmental Report. Again, positive impacts are expected from all activities supported, especially those under Axes 1 and 3 for which social and economic outcomes are the main drivers. The report found that agri-environment and woodland activities would also have positive socio-economic impacts, partly through the employment generated through their delivery, and also through improvements to the quality of life for both residents and visitors to the countryside.

The Environmental Report concluded that it was not possible to predict the detailed environmental impacts of activities in relation to Axis 1 and Axis 3 projects, since those impacts will primarily be determined by the types and locations of projects eventually supported. For example projects that support renewable energy bioenergy are likely to have outcomes which will be positive in terms of climate change mitigation, but potentially less certain in relation to habitat and landscape impacts.

The Environmental Report highlighted a number of issues for consideration:

- The impacts of projects under Axes 1 and 3 were found to be uncertain, given the high level of regional discretion in determining the activities to be supported. In order to ensure consistent delivery of the SEA aims, as well as the wider socio-economic aims which remain the focus of these Axes, a robust horizontal approach to environmental issues is necessary throughout delivery mechanisms. Key recommendations are the use of targeted guidance and application material for project applicants, in conjunction with support for project holders by expert staff, and the involvement of environmental representatives in decision-making. These suggestions represent a continuation of good practice previously evaluated in the context of both Leader and ERDF Structural Fund programmes.
- The delivery of Axis 2 is, on the basis of current evidence, likely to require an increase in the capacity of the workforce available in the countryside. Regional studies may be necessary to determine the most appropriate focus for training. It may also be appropriate, at regional level, to consider the role of the voluntary sector, and provision of training for volunteers and trainees as well as current employees.
- The approach to the management of the historic environment is to some extent less positive than in the past. Previous programmes provided support for the economic re-use of historic buildings in the countryside; actions proposed under the RDPE are limited to maintenance, other than in the HLS (where the historic environment is one priority among others) and, to a limited extent, under Axis 3. There is a possibility that the reduction in such support will increase the rate of loss of these assets.

- The success of activities in support of energy crops under Axis 1 depends on a wider set of market circumstances which are largely outside the control of the Programme. Clear understanding of different regional situations and, possibly, support from other funding streams to install the infrastructure necessary to use energy crops will be needed to ensure that projected benefits are realised.

3. The Consultation Process

Consultation on the detailed Programme and on the Environmental Report ran from April 13th until July 5th 2007. Some 45 organisations responded and a list of those contributing is provided as an annex to this document. The detail of the feedback received is given in the next section.

However, it is important to note that the formal consultation was only one part of the process of stakeholder involvement during the preparation of the RDPE and SEA documents. In addition:

- Defra undertook a consultation on the strategic aims of the Programme during the late winter/early spring of 2006. Responses to that consultation were reflected in the detailed structure of the Programme as it developed.
- A stakeholder group met to comment on the process of preparation of the RDPE on a number of occasions from early 2006 onwards. This group involved many of the organisations which contributed formally to the consultation process, including those from statutory environmental authorities, the farming and forestry sector, economic development agencies, local authorities, and the voluntary sector.
- A steering group was formed to oversee the SEA process. It involved representatives of all statutory environmental agencies, as well as those in Defra responsible for the preparation of the RDPE, together with Government leads on the SEA process. The latter were involved specifically to ensure that the spirit as well as the letter of SEA legislation was followed, as there is limited experience of applying the SEA to revenue programmes of this type. Members of the group commented in some detail on successive drafts of SEA material.
- A consultation meeting for stakeholders, looking in detail at both the RDPE and the SEA findings, was held in London in June 2007.

4. Results of the Consultation Process

Seven broad questions were provided to guide responses to the consultation material. These questions and a summary of the responses to them are listed in the following paragraphs. A significant proportion of the responses relate to aspects of delivery of the Programme, rather than to its content, in line with the points made in the Environmental Report in the section above. There was some overlap in responses. This summary seeks to avoid repetition while retaining the substance of the issues raised.

Question 1: The environmental report concludes commitment to environmental issues is central to the programme. Do you agree with this assessment?

There was general agreement that commitment to environmental issues is central to the programme. However, most respondents qualified their agreement with additional statements. Some were very positive about the approach, with one commenting that

broader environmental benefits were likely to be achieved beyond those directly related to the goals of the Programme.

Others emphasised the importance of ensuring that the commitment to environmental benefits and enhancement was reflected in all Axis 1 and 3 measures, and was not just limited to Axis 2. This point recurred under other questions.

In contrast, a minority of respondents said that while environmental issues clearly were central, this focus was, if anything, too strong and that a greater emphasis on social and economic issues would be beneficial.

Two respondents did not agree with the premise of the question. Both took the view that the environmental focus would be detrimental to economic aims and, therefore, ultimately detrimental to the achievement of environmental aims in the longer term, as economic downturn would limit the ability to pay for environmental goods.

Finally, two respondents raised animal welfare as an issue which should have been considered in greater detail at strategic level.

Question 2: Are there ways in which the intended benefits can be maximized and any potential negative effects minimized?

Responses to this question followed a similar pattern to those above. Some organisations, generally those which had highlighted concerns about the strength of focus on the environment, suggested that intended benefits could be strengthened by increasing the allocation towards social and economic measures.

The majority of responses commented to a large extent on aspects relating to delivery issues and systems, particularly in connection with Axes 1 and 3, in line with the recommendations in the Environmental Report. Respondents raised, among other issues, the need for guidance and training for all delivery bodies to ensure this.

Integration between the three Axes, for example through the LEADER approach or other involvement of regional partners, was also suggested by some as a means of maximising benefits. Partnership working was also suggested as a means of ensuring that management of the Programme could adapt to changing circumstances.

Others noted the importance of baseline data and monitoring in developing clearer understanding of both aims and impacts throughout the process, and emphasised that these should be in place from the start of the Programme if they are to be effective.

A number of respondents pointed to the need to take account of existing regional and national aims and strategies, for example river basin management plans, during implementation and to translate these and existing SEA concerns into project development processes and guidance. Equally, the need for integration of the Programme with other funding streams and policies, such as regional Structural Fund Programmes, Regional Economic Strategies and Regional Spatial Strategies was highlighted, accepting that this in turn will require a consistent approach to environmental management.

The environmental report concludes that, judged against the SEA criteria, the overall impact of the programme will be positive.

Question 3: Do you agree with this assessment?

Question 4: Are there ways in which, through the programme document, this positive impact can be strengthened?

Responses to these questions again followed the patterns above. Almost all respondents agreed that environmental impacts would be positive, but most felt these impacts could be further strengthened in some way and made a number of suggestions in this area.

Some took the view that the success of environmental aims would be best achieved by seeking to embed environmental aims more clearly within a sustainable development framework. The rationale for this view was that economic sustainability was a pre-condition for environmental management.

Other stakeholders commented on specific environmental issues which they felt could be strengthened. Specifically, these included understanding of the implications of, and responses to, climate change, management of the historic environment and of coastal regions. The issue of landscape was also raised; some suggested that landscape had not been considered in sufficient depth by either the Programme or the SEA and that landscape considerations should be considered at regional or more local level.

Two respondents commented specifically on the benefits of providing support for anaerobic digestion, a process which produces biogas from materials such as agricultural waste which can then be used as a fuel. In addition to reducing greenhouse gas emissions from fuel substitution, this approach also has the advantage of encouraging better management of farm waste. Similarly, the issue of support for horticulture was raised; there is a perceived assumption in the Programme that all non-food crops are energy crops.

A number of responses included comments on the theme of strengthening the ways in which all aspects of the Programme are managed during the delivery phase. These concentrated on two areas.

Firstly, the extent to which the level of resource available would be sufficient to meet environmental aims was questioned, particularly under the Higher Level Scheme. This was linked by a number of respondents to the need to maintain and enhance the benefits which have resulted from past interventions, such as the Environmentally Sensitive Area scheme. Transition issues between past and future support should be considered explicitly.

Secondly, the need for delivery mechanisms for Axes 1 and 3 to have a clear horizontal approach to the consideration of environmental impacts was raised by many stakeholders. The aim is to ensure that all projects supported clearly take on board the strategic environmental aims of the Programme. This is distinct from the suggestion, made by a small minority, that Axes 1 and 3 funding should also be targeted at environmental aims. A few respondents raised the issue that Axis 2 projects should, similarly, consider social and economic impacts.

Wider comments were also received in relation to landscape, which was felt by some respondents to be addressed only to a limited extent by both the Programme and the SEA. Detailed comments in relation to improving landscape impacts were made; these relate more to the delivery phase, however, with suggestions including the production of guidance on siting and design.

A further suggestion was that area based schemes using resources from all three Axes could be actively promoted to encourage an integrated approach. The extension of training and awareness activities towards the general public, communities and other stakeholders was also suggested as a way of strengthening the relationship between the programme and the public's perception of the benefits it delivers.

A small number of respondents raised issues which they felt would best be dealt with at national level. Two types were identified.

Firstly, the Programme will potentially influence areas where stakeholders feel information is currently lacking, and in which understanding could be improved through research associated with the Programme. Areas of particular interest included water management and flooding, and management of farm wastes. Research costs would be very small compared to the total value of the Programme.

A second, parallel issue, raised at the seminar, was that there should be capacity to support a number of England-wide, or multi-region projects, without the necessity of making parallel applications to regions with different priorities. Promotional activities would potentially fall under this heading.

It has been assessed that this programme provides a primary mechanism for large scale positive change in relation to the preservation of natural and historic features, biodiversity, landscape and access, water quality and climate change.

Question 5: Do you agree with this assessment?

Responses followed from the discussion in earlier questions. Those with a primarily social or economic focus suggested that a strongly performing sector, in economic terms, was a prerequisite for undertaking environmental work and favoured a balance of funding which concentrated on those elements to a greater extent as a result.

Conversely, stakeholders with an environmental role tended to agree with the approach, but also reiterated that the scale of resource would be an issue for the Higher Level Scheme, which will be the source of funding for projects which actively seek to improve the environment significantly.

A number of respondents made the point that the balance of impacts across the elements set out in the question was likely to differ, with gains in relation to biodiversity more likely than in the case of the historic environment or access. Some also noted – again, in line with points above – the need for research to better understand existing impacts on climate change emissions.

More widely, the need for consistency among government policies which affect change in these aspects of the environment was raised; however beneficial, the RDPE is only one (relatively limited) influence on the behaviour of farmers and land managers.

The report notes that the overall environmental impact in relation to activities funded under Axes 1 and 3 of the programme will depend to a large extent on the individual projects which are selected and implemented.

Question 6: Are there ways in which the environmental benefits, in SEA terms, of activities funded under Axes 1 and 3 can be strengthened and any potential negative effects minimized?

Responses to this question were highly consistent, with the majority of respondents agreeing that both the involvement of regional partners with environmental remits, together with clear integration of environmental issues in decision-making processes would be beneficial in delivering the SEA aims. These approaches mirror those taken in Leader Programmes in the past and stakeholders suggested that they would be particularly valuable in relation to support for local foods, tourism and community-led economic development.

The intention here is not to change the focus of Axes 1 and 3 so that funding is targeted at environmental issues. Rather, it is to ensure that a horizontal environmental element underpins the social and economic aims of projects under these Axes.

A simple checklist or application form would be sufficient for most small-scale projects, although more detail might be required in some cases, such as those providing support for

energy crops, in order to avoid and if necessary address any potentially negative issues at development stage.

Question 7: How can we best ensure that environmental assessment is appropriate to the outcomes to be achieved, and does not impose a disproportionate burden on applicants or delivery bodies?

A number of stakeholders used this question to suggest additions to the monitoring system proposed. Suggestions included, for example, measures of sustainable tourism, of public awareness and attitudes towards agri-environment issues, and in relation to climate change emissions, as well as activity and outcome data. Specific reference was made to Countryside Quality Counts, as a qualitative measure which is already collected, to provide context for the Programme's activities.

Other suggestions for reducing the administrative demands associated with the system included the use of existing partnership mechanisms, such as Local Area Agreements in rural locations. In general, the aim of keeping application material proportionate and appropriate to the projects in question was widely endorsed, but there was some recognition that range of potential activities may make this difficult, which again implies that partnership decision-making is likely to be necessary. The potential role of expert staff in supporting applicants was also highlighted, mirroring the approach which proven successful in Regional (ERDF) Structural Fund Programmes and, at a small scale, in Leader Programmes.

Some responses also took the view that Defra should produce guidance centrally, and one response suggested that such guidance should be binding.

5. Key Points

Below is a summary of the key points made in both the Environmental Report and in the consultation. Defra's response to this is annexed to this Statement.

1. Resources for Higher Level Stewardship (HLS) are likely to be insufficient to meet the aspirations of the Rural Development Programme for England 2007-13 (RDPE).
2. There are potential negative environmental impacts associated with the change from earlier agri-environment schemes (ESA and CS) to new schemes which will be supported by the RDPE. There is a need to consider how best such transitions can be managed.
3. HLS delivery staff should be qualified in all relevant aspects of the environment.
4. Targeting mechanisms for HLS should be capable of supporting activities of high importance to one aspect of the environment; multiple gains may not always be appropriate or cost effective.
5. The ES review should take account of environmental dimensions which are likely to rise in importance in the future, including water and waste management, as well as climate change.
6. Landscape issues should be considered more explicitly in both the Programme and SEA.
7. Agri-environment schemes should be seen to contribute towards all aspects of sustainable development. To achieve this, social and economic impacts should be considered in the delivery of agri-environment and woodland schemes.

8. Greater emphasis could be given to social and economic factors in the RDPE through re-allocation of funding to Axis 1 and 3.
9. Animal welfare issues should be included to a greater extent in the Programme.
10. Delivery mechanisms, particularly for Axes 1 and 3, are of critical importance. Decision-making structures should involve economic, social and environmental partners.
11. Application materials and associated guidance for projects under Axes 1 and 3 should reflect a horizontal environmental approach, in addition to social and economic criteria.
12. Specific arrangements may be needed for projects which support energy crops, given the unique nature of environmental impacts associated with them and also taking into account the need for a coherent supply chain to maximise both economic and environmental benefits.
13. The coverage of Axis 1 should be revised to include anaerobic digestion as a process to produce biogas for energy production which will be supported.
14. Mechanisms to ensure co-ordination between different public sector strategies and funding streams should be introduced.
15. Mechanisms should be introduced to ensure a consistent and integrated approach to Programme delivery across all 3 Axes, and to facilitate support for national, or multi-regional projects.
16. The capacity for the Programme to support horticulture should be made more explicit.
17. Monitoring information for the RDPE should include qualitative as well as quantitative information, including, for example, on public attitudes. Quantitative information should be expanded to consider, among other issues, sustainable tourism, climate change emissions, and socio-economic outcomes. Indicators should be in place at the start of the Programme to ensure consistency.
18. The use of existing administrative structures, such as Local Area Agreements or Area of Outstanding Natural Beauty management groups, would help reduce the need for additional administration associated with the Programme. Widening the availability of expert staff assistance, as is the case under HLS, would also help applicants deal with administrative and management issues.

Annex 1: List of Organisations Contributing to the Consultation

- Farm
- Royal Society for the Protection of Birds (RSPB)
- Devon County Council
- English Heritage
- Natural England
- Royal Society for the Prevention of Cruelty to Animals (RSPCA)
- Countryside Landowners Association (CLA)
- Eurinco
- Horticultural Trades Association
- Institute of Agricultural Management
- Bidwells
- Red Meat Industry Forum
- Council for the Protection of Rural England (CPRE)
- Friends of the Lake District
- East Sussex County Council
- Institute of Field Archaeologists
- Meat and Livestock Commission
- North Warwickshire Borough Council
- National Association for Areas of Outstanding Natural Beauty
- International Centre for the Uplands - Cumbria
- Royal Institute of Chartered Surveyors
- Hampshire County Council
- Bournemouth University
- Essex County Council
- Devon Rural Network
- Local Government Association
- East of England Regional Assembly
- Institute of Historic Building Conservation
- Derbyshire County Council
- Arts Council England
- East Lindsey District Council
- Nottinghamshire County Council
- South Downs Joint Committee
- National Council of Voluntary Child Care Organisations/National Council for Voluntary Youth Services
- CONFOR
- Anglia Ruskin University
- ACRE
- Defra Flood Management Division
- English Regional Development Agencies
- South West Historic Environment Forum
- Landscape Institute
- Environment Agency
- National Farmers Union