EXPLANATORY DOCUMENT TO

THE PUBLIC BODIES (ABOLITION OF THE COMMISSION FOR RURAL COMMUNITIES) ORDER 2012

2012 No. [XXXX]

1. This explanatory document has been prepared by the Department for Environment, Food and Rural Affairs and is laid before Parliament by Act.

2. Purpose of the instrument

2.1 The draft Order makes provision for the abolition of the Commission for Rural Communities (CRC) established under the Natural Environment and Rural Communities Act 2006 (the NERC Act)[1].

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Context

4.1 The Commission for Rural Communities was established by the NERC Act and came into existence on 1 October 2006. The Commission for Rural Communities became the statutory successor to certain functions of the Countryside Agency (see also 7.01 - 04 below).

4.2 Caroline Spelman, the Secretary of State for Environment, Food and Rural Affairs, announced in the House of Commons on 29 June 2010 that Defra Ministers would lead rural policy from within the Department and proposed that the Commission for Rural Communities would, therefore, be abolished[2].

4.3 This decision was made after full consideration within Defra in line with processes for reviewing arms length bodies across government. The Commission for Rural Communities was subsequently placed in Schedule 1 to the Public Bodies Act 2011 (bodies which can be abolished by order).

4.4 This instrument is being made to abolish the Commission for Rural Communities, together with its statutory functions under the NERC Act.

4.5 **Public Bodies Bill debates relating to the proposed abolition of the Commission for Rural Communities**. Below is a summary of debates that have taken place in the House of Lords, Public Bodies Bill Committee and the House of Commons. Full Hansard transcripts are offered as hyperlinks.

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[1] See: http://www.legislation.gov.uk/ukpga/2006/16/pdfs/ukpga_20060016_en.pdf
[2] See: http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm100629/wmstext/100629m0001.htm

4.6 **During the 5th sitting in the House of Lords, an amendment was tabled by Lord Greaves[3]** to remove the Commission for Rural Communities from Schedule 1 to the Public Bodies Bill. The proposed amendment was underpinned by a concern that the loss of an independent rural voice (namely the Rural Advocate) would equate to a loss of independent challenge to Government policy making on behalf of rural communities. In addition, more information was sought about the development of the unit within Defra designed to provide a new rural policy function. Following debate, the amendment was withdrawn.

4.7 **During the Report Stage of the Public Bodies Bill, 1st sitting, 23 March 2011, in the House of Lords a further amendment was tabled by Lord Knight of Weymouth[4]** seeking to remove the Commission for Rural Communities from Schedule 1 to the Public Bodies Bill. The proposer expressed concern that the loss of an independent voice (namely the Commission for Rural Communities and the Rural Advocate) would equate to a loss of independent challenge to Government policy making on behalf of rural communities. Lord Henley, the then Defra Parliamentary Under Secretary responded by stating that '*if an independent advocate was needed again, we would of course be prepared to look at the issue if the change proved not to be as effective as we believe it will be'*. The amendment was withdrawn.

4.8 **During the Committee Stage debates, 3rd sitting, 13 September 2011, House of Commons, an amendment was tabled by Roberta Blackman-Woods (City of Durham)[5]** seeking to remove the Commission for Rural Communities from Schedule 1 to the Public Bodies Bill. The proposer argued that there was a need for an independent voice to speak on behalf of rural communities and raised a concern that the loss of the Commission for Rural Communities' focus on social disadvantage and economic underperformance would be detrimental to the knowledge and understanding of rural socio-economic needs. Following the Government's response, the amendment was withdrawn.

4.9 **During the Report Stage, House of Commons debate, 25 October 2011, three further amendments to the Bill were sought by Mary Creagh (Wakefield) and Andrew George (St. Ives)[6].** These amendments sought to remove the Commission for Rural Communities from Schedule 1 to the Public Bodies Bill; amend the Natural Environment and Rural Communities Act 2006 to remove reference to the *'Commission for Rural Communities'* and replace it with the word's '*Rural Advocate'* and introduce a new clause 8 which would create an *Office of Rural Affairs*. Following the Government's response, the amendments were withdrawn.

5. Territorial Extent and Application

5.01 This instrument extends to England and Wales.

[3] See: http://www.publications.parliament.uk/pa/ld201011/ldhansrd/text/101221-0002.htm#10122155000090
[4] See: http://www.publications.parliament.uk/pa/ld201011/ldhansrd/text/110323-0001.htm#11032365000810
[5] See: http://www.publications.parliament.uk/pa/cm201011/cmpublic/publicbod/110913/am/110913s01.htm
[6] See: http://www.publications.parliament.uk/pa/cm201011/cmhansrd/cm111025/debtext/111025-0002.htm

6. European Convention on Human Rights

6.01 Richard Benyon, Parliamentary Under Secretary of State for the Department for Environment, Food and Rural Affairs, has made the following statement regarding Human Rights:

> "In my view the provisions of the Public Bodies (Abolition of the Commission for Rural Communities) Order 2012 are compatible with the Convention Rights."

7. Policy background

7.01 The Commission for Rural Communities is a relatively new rural body, but the history of some of its functions can be traced back through its predecessor bodies over the course of just over 100 years. A summary of this history is set out below.

7.02 The Development Commission was a permanent Royal Commission established under the Development and Road Improvement Funds Act 1909 to advise and administer the Development Fund voted annually by Parliament to benefit the rural economy of England. In 1988, the Development Commission amalgamated with the Council for Small Industries in Rural Areas, to form the Rural Development Commission (RDC). In April 1999, the RDC merged with the Countryside Commission to become the Countryside Agency.

7.03 Following a review by Christopher Haskins (Baron Haskins of Skidby) of several Government organisations involved in rural policy and delivery, the Natural Environment and Rural Communities Act 2006 merged agencies charged with environmental activity. English Nature and parts of the Countryside Agency and the Rural Development Service formed Natural England.

7.04 While the socio-economic functions of the Countryside Agency were transferred to the Regional Development Agencies the remaining part of the Countryside Agency, broadly its research and policy functions, became the Commission for Rural Communities.

7.05 The Commission for Rural Communities became an operating division of the Countryside Agency in March 2005 and a fully independent Non-Departmental Public Body in October 2006.

The Rural Advocate Designation

7.06 The Rural Advocate role was created subsequently and separately, and announced in the Rural White Paper of 2000. This stated "*we will create the new role of Rural Advocate to argue the case on countryside issues and for rural people at the highest levels in government and outside*"**.** The role was specifically linked to

that of Chair of the Countryside Agency (the predecessor of the Commission for Rural Communities).

7.07 The Rural Advocate role was an independent and non-political designation rather than an public appointment and it carried no separate remuneration. Subsequently, the Environment, Food and Rural Affairs Select Committee decided that this "appointment" should be included on the list of those over which it had powers of scrutiny.

7.08 As originally envisaged, the Rural Advocate had direct access to the Prime Minister and Defra Ministers and attended the Cabinet Committee on Rural Affairs (which existed at the time the role was created), to provide a focused voice for rural concerns.

7.09 Dr Stuart Burgess, CBE, was designated as the Rural Advocate in 2004 as part of his (paid) appointment as Chair to the Commission for Rural Communities. The Secretary of State having announced her intention for Ministers to lead rural policy from within Defra and abolish the Commission for Rural Communities, the Prime Minister wrote to Dr Burgess in July 2010 to thank him for his work as Rural Advocate and bring the designation to an end.

7.10 Since the creation of the new Rural Communities Policy Unit within Defra in April 2011, the Commission for Rural Communities has been operating as a streamlined body, and will continue to do so until such time when, subject to Parliamentary approval, it is abolished. The Commission retains the ability to perform, albeit in a different way, the statutory functions required of it by the Natural Environment and Rural Communities Act 2006.

7.11 The Commission for Rural Communities with its Chair and eight Commissioners is supported by 3.5 full time equivalent members of staff. Commissioners now act collectively and individually to fulfil their advice, advocacy and watchdog functions rather than operating as an oversight board for a much larger organisation.

7.12 The streamlined Commission works alongside the Rural Communities Policy Unit, acting as a critical friend.

Consolidating rural policy functions within Defra

7.13 The Government has made clear its intent to create more accountable decision making and remains committed to ensuring that all policies and programmes properly take into account the needs of rural residents, business and communities. As Rural Champions, the Defra Ministerial team, and in particular the rural Minister, Richard Benyon, work with their colleagues across Government to ensure that rural issues are properly understood and addressed as policies are developed.

7.14 On 1 April 2011, Minister Richard Benyon placed a written Ministerial Statement in the House of Commons[7] which announced the expanded Rural Communities Policy Unit was fully staffed and operational. This unit brought together staff from the existing rural policy team and staff from both the Commission for Rural Communities and Government Offices to create a centre of rural expertise within Government.

7.15 The strengthened capacity of Defra's Rural Communities Policy Unit is designed to engage more effectively, and at an earlier stage, in the development of policy across Government, so that rural needs and opportunities are identified, and responded to, before decisions are made.

Ensuring rural voices are heard within Government

7.16 One of the Rural Communities Policy Unit's key objectives is to develop open and transparent ways of working, collaborating where appropriate with organisations that represent and support rural residents, enterprises and communities. The Unit is actively ensuring that such stakeholders have an opportunity to influence its priorities and projects as well as wider Government policy objectives.

7.17 The Defra web-site[8] provides publicly accessible information about the Rural Communities Policy Unit's activities and objectives. In addition, Defra Ministers and officials are developing new ways of working with a broad range of people and organisations who have first hand experience of what it means to live and work in England's rural areas. For example:

- **The Rural and Farming Network:** This new network of 17 local groups from across England has been established to identify and feedback local issues and concerns direct and unfiltered to Defra Ministers. Each group is self-organising and self-supporting, bringing together people from rural communities and rural businesses (including the food and farming industries). (See Annex 1)

- **The Rural Community Action Network (RCAN):** Defra provides funding for a network of 38 rural community development organisations (collectively known as Rural Community Councils) across England. RCAN is facilitated at a national level by Action for Communities in Rural England (ACRE) and the network supports community-led action in rural areas and works to increase the long-term sustainability of rural community life. Defra and ACRE have reviewed and refreshed their partnership to ensure that Government benefits from regular access to both up-to-date local intelligence about the impact of current policy in rural areas and expert practitioners who can offer practice advice on the design and implementation of new policies and programmes (see Annex 2). As part of this work, ACRE has established

7 See: http://www.publications.parliament.uk/pa/cm/cmtoday/cmwms/archive/110401.htm
8 See: http://www.defra.gov.uk/rural/

expert reference groups focused on Broadband, Fuel & Energy, Housing & Planning and Services & Transport.

- **The Rural Coalition:** The RCPU meets regularly with the Rural Coalition to facilitate strategic input into key policy areas across Government, for example, Housing, Planning and Economic Growth. Chaired by Lord Robin Teverson, the Rural Coalition comprises 15 member organisations who subscribe to a vision for a living and working countryside.

- **Local Economic Partnerships (LEPs):** Defra facilitates a regular Roundtable for LEPs to discuss, amongst other policy issues, the rural economy. It provides an open and frank forum for exchange of views and experience between LEP representatives and with policy makers from across Government.

- **The Rural Business Finance Forum (RBFF):** The RBFF is made up of key business organisations with a rural interest. It advises Defra on the impacts of policy on rural businesses including providing strategic business input into the Rural Economic Growth Review.

- **The Rural Services Network:** A working arrangement with this membership organisation devoted to safeguarding and improving services in rural communities across England enables the RCPU to disseminate information and call for evidence about rural impacts and solutions.

- **The Leader Exchange Group:** Representatives from Local Action Groups and Accountable Bodies across the country have recently been invited to join this new national group. The Leader Exchange Group provides a structure to encourage effective two way communication between Defra, other Government Departments and those involved in LEADER delivery within the Rural Development Programme for England. It is enabling all interested parties to share experience and ideas relevant both to delivery under the current programme and to the design of future EU programmes.

Compliance with section 8(1) of the Act

7.18 The Minister considers that this Order —

(a) serves the purpose of improving the exercise of public functions, having regard to efficiency, effectiveness, economy and securing appropriate accountability to Ministers. Ministers have reviewed the proposed abolition of the CRC and are satisfied that it would serve the purpose of improving the exercise of public functions having regards to:

7.19 **Efficiency -** The proposal to abolish the Commission for Rural Communities is driven by a desire to remove duplication, improve efficiency and enable resources to be more effectively focused on securing fair, efficient and affordable outcomes for rural communities in relation to priority policy areas. The Government wishes to consolidate rural policy functions within Defra rather than retaining two separate publically-funded teams each seeking to gather evidence about rural impacts, engage with rural stakeholders and support Government Departments to take proper account of rural needs and opportunities as they develop their policies and programmes.

7.20 The Government believes that rural evidence should be drawn from a wide range of sources rather than provided by a single arms length body and that policy functions should be subject to the direct oversight of Ministers, who are accountable to Parliament for the way they discharge this function. The Rural Communities Policy Unit will consolidate and build upon the evidence base developed by the Commission for Rural Communities. This will inform both the unit's priorities and its policy-influencing function across Government and will also be made available via the Defra website. The unit's evidence will, in part, promote the Government's drive to decentralisation by supporting local bodies to better take account of rural needs and opportunities.

7.21 **Effectiveness –** Basing rural policy functions within a core Department rather than within an arms length body, enables staff carrying out those functions to have earlier and greater involvement in the development of policies and programmes across Whitehall. Officials operating within Government have increased access to information and opportunities to influence, particularly when working under the direction of Ministers responsible for championing rural needs.

7.22 The recent Rural Economy Growth Review demonstrated the value of this new way of working. Defra officials, under the direction of Defra Ministers, led a rurally-focused strand of the cross-Government Growth Review process co-ordinated by Her Majesty's Treasury and the Department of Business, Innovation and Science. The resources of the Rural Communities Policy Unit were mobilised at short notice and, working with a number of other Government Departments, Defra was able to design and deliver measures[9] that had cross-Government support and ensure that the wider Growth Review took appropriate account of the needs of rural businesses and the opportunities for sustainable economic growth in rural areas.

7.23 Since its creation in April 2011, the Rural Communities Policy Unit has been carrying out a careful assessment of the rural evidence base, considering how best to gather evidence relevant to current policy issues as well as more strategic long-term evidence about the changing characteristics of rural places, communities and economies.

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[9] See: http://www.defra.gov.uk/rural/economy/

7.24 A single centre of rural expertise operating within, rather than at arms length from, Government is better placed to identify the evidence likely to be most useful to, and most influential upon policy-makers in other Government Departments. However, the Rural Communities Policy Unit is also taking steps to ensure that a wide range of non-Governmental organisations have an input into the development and delivery of the rural evidence programme. The programme itself is available on the Defra web-site[10] and all research outputs will be published.

7.25 **Economy** – It is vital in the current economic climate that financial savings are made across Government. This has to be balanced with a need to ensure that savings do not give rise to unacceptable or unfair impacts.

7.26 The Commission for Rural Communities budget for 2010-11 was just under £6m per year. This initial transition was absorbed by the CRC utilising its 2010-11 budget to cover closure and staff departures costs. This initial transition reduced Defra's annual spending on its rural policy function (the Defra RCPU and the streamlined CRC) by approximately 60%. It is estimated that full implementation of the Government's new approach to the rural policy function will generate total net savings of approximately £17m over the CSR period (2010-15). A full breakdown of these figures are set out in Annex 3

7.27 Although the transition to a new streamlined business model has significantly reduced the cost of the Commission for Rural Communities, there are inevitable overheads associated with the operation of a Non-Departmental Public Body. The abolition of the Commission will enable further savings to be made, for example, in 2011-12 the CRC cost approximately £600,000.

7.28 **Accountability –** the changes proposed will enable Defra's Ministers to be held directly accountable by Parliament for the exercise of Government's rural policy functions. The transparency with which the Rural Communities Policy Unit will operate, together with the variety of non-Governmental organisations capable of speaking up on behalf of rural communities, will ensure an appropriate degree of public accountability.

7.29 The EFRA select committee has already indicated that it wishes to scrutinise the work of the Rural Communities Policy Unit. The Government welcomes this as further evidence of the importance that Parliament attaches to the interests of those living and working in rural areas. Defra Ministers are actively exploring the scope to encourage and support independent scrutiny of Government's approach to rural-proofing its policies and programmes.

7.30 Compliance with section 8 (2) of the Public Bodies Act 2011

[10] See: http://www.defra.gov.uk/publications/2011/04/27/pb13471-evidence-investment-strategy/

The Minister considers that –

a) The Order does not remove any necessary protection

The Minister considers this condition to be met by virtue of the establishment of the Rural Communities Policy Unit within Government to operate as a centre of rural expertise and support Defra Ministers in their role as rural champions. Defra Ministers are also committed to ensuring that they hear direct from, and respond to, a wide range of non-Governmental organisations capable of advocating on behalf of rural communities nationally and at a more local level. The Minister is satisfied that the consolidation of rural policy resources combined with the creation of new and varied means of gathering intelligence about rural needs, opportunities and impacts increases rather than removes the protection afforded to rural communities and avoids an over-reliance on the evidence and advocacy of a single publicly-funded arms length body.

b) The Order does not prevent any person from continuing to exercise any right or freedom which that person might reasonably expect to continue to exercise –

The abolition of the Commission for Rural Communities will not prevent any person from continuing to exercise any right or freedom which they might reasonably expect to continue to exercise. Defra's Rural Communities Policy Unit, the new departmental unit undertaking the Government's rural policy function, will continue to operate transparently and provide opportunities for interested parties to influences its work, in a timely and appropriate way.

8. Consultation outcome

8.1 Defra published a consultation paper on the new rural policy functions within Government and the proposed abolition of the Commission for Rural Communities on 1 November 2011[11].

8.2 95 stakeholders with a clear interest in the outcome were invited to comment on the proposals and the consultation paper was also made available on the Defra website. The CRC and other rural organisations promoted the consultation through their own newsletters and communication channels. The consultation exercise closed on 30 January 2012 by which time a total of 41 responses had been received.

8.3 The two options set out in the consultation were:

Option 1 Do nothing: Leave the CRC as it is.

Option 2 Abolish the CRC.

[11] See: http://www.defra.gov.uk/consult/2011/11/01/rural-policy/

In the light of the consultation, the Government is progressing Option 2

8.4 Of the 41 responses received, 12 individuals and organisations supported abolition of the Commission for Rural Communities, 5 setting out some conditions to that support. 12 respondents were opposed to abolition, and 17 did not expressly support or oppose abolition.

8.5 **Summary of views of those who agreed with the proposal to abolish the CRC.** Underpinning much of the support for the proposed abolition was a preference for rural policy functions to be performed within central Government, rather than by an arms length body. Respondents tended to take the view that functions undertaken by the CRC to date could be performed equally well, if not better, by the RCPU and there was support for the decision to bring the expertise and experience of CRC and Defra staff together into a single unit. Respondents were keen to emphasise that stakeholder engagement should remain a high priority for the RCPU and sought assurance that some form of independent scrutiny of the Government's approach to rural proofing would be built into the rural policy function.

8.6 Summary of views of those who disagreed with the proposal to abolish the CRC. The respondents who opposed abolition of the CRC raised two key challenges to the Government's proposals. The first of these related to the contention that having both the CRC and Defra's RCPU operating alongside each other gave rise to duplication and confusion. A number of respondents disagreed with this, highlighting, in particular, the value of an arms length body, such as the CRC maintaining an independent and distinct stance from that taken by the core government department. Respondents also argued that the savings that would be achieved by abolishing the CRC were not significant enough when compared to the value that the CRC was able to offer.

8.7 In its response to the consultation exercise, the Commission for Rural Communities accepted (with certain caveats) that its advisory and advocacy functions had been integrated into Defra, but suggested that there might be value in the Government establishing a Rural Adviser function, reporting directly to Defra Ministers, to provide an independent view and act as a critical friend.

8.8 **Summary of views of those who did not express an opinion on abolition.** There were sixteen respondents who, for varying reasons, did not clearly state a position on this question. Some broad member-based respondents were unable to arrive at a clear collective position. Another common theme was recognition that difficult decisions need to be made in the current economic climate and that respondents did not feel in a position to challenge the Government's view that this financial saving was required.

9. Guidance

None

10. Impact

10.1 This Order has no impact on business, charities or voluntary bodies and does not impose any new costs, administrative burdens or information obligations.

10.2 There is minimal impact on the public sector as the CRC is a small body and alternative arrangements have been made to ensure that Government continues to have access to expert advice about rural needs and opportunities, to hear direct from those who live and work in rural areas and to be subject to an appropriate degree of scrutiny. Total net savings of £17m will be delivered over the CSR period as a result of changes to the rural policy function.

10.3 An Impact Assessment was prepared for this instrument, taking into account comments received following public consultation. See Annex 3.

11. Regulating small business

The legislation does not apply to small business.

12. Monitoring & review

12.1 Defra's Rural Communities Policy Unit is seeking to develop transparent ways of working, ensuring that a wide range of rural organisations are aware of, and have opportunities to contribute to, the development of the Unit's plans and priorities. The publication of the Government's Rural Statement and refresh of rural proofing will strengthen this transparency.

12.2 Defra Ministers are accountable to Parliament for the way they fulfil their role as Rural Champions and the Environment, Food and Rural Affairs select committee has already indicated that it will scrutinise the work of the Rural Communities Policy Unit in the future. Defra welcomes this.

12.3 Defra Ministers are exploring further means to encourage independent scrutiny of the Government's approach to rural proofing.

13. Contact

13.1 John Coleman at the Department for Environment, Food and Rural Affairs (Tel 0117 372 3637 or email john.twm.coleman@defra.gsi.gov.uk) can answer any queries regarding the instrument.

13.2 Copies of all responses to the public consultation exercise can be seen at, or obtained from, the Defra HQ library at Ergon House (Telephone 020-7238-6575, email defra.library@defra.gsi.gov.uk).

13.3 Copies of the responses will also be made available to the Environment, Food and Rural Affairs Select Committee and the Secondary Legislation Scrutiny Committee of the House of Lords.

Annex 1: RURAL AND FARMING NETWORK

- The RFN will provide a means for direct two-way communication and information sharing between Defra Ministers and rural interests at the local level across England - creating a bridge between local networks and the Defra Ministerial team.

- Defra Ministers want to know what is working well (success stories) and what is not working well (unintended consequences of policies) for rural businesses and communities so that Defra can work with RFN members to improve policy outcomes.

- In the case of significant and/or fast paced events (e.g. extreme weather conditions, animal disease outbreak) the Chairs of RFN groups, will have direct contact with Defra Ministers providing information and a sounding board on local impacts. A direct route of communication (telephone and email) will be established between RFN chairs and Defra Ministers to be used by RFN chairs when they need to alert Ministers to important issues of local concern. Ministers will have the contact details of all the RFN Chairs to enable direct contact where necessary. The potential role RFNs can play is to provide additional intelligence on the local situation. It is important to realize it is not intended for the RFN to duplicate or replace local or national emergency and civil contingency systems.

- Defra Ministers and all RFN Chairs will have at least one meeting per year (the first meeting was held 17 April, 2012.

- In addition wherever practicable, Defra Ministers visiting a locality will arrange to meet representatives of RFN groups operating in the area. These visits may range from short meetings with just the RFN chair to lengthier meetings with key representatives from the RFN.

Policy influence:

- The RFN can play a key role in raising policy issues of local importance with Defra and providing intelligence on the impact of policies to inform and influence policy development and delivery.

- Where RFN groups have feedback and information on the impact of policies led by other government departments Defra will, where appropriate and possible, feed this into those departments as part of our cross government rural proofing role

- Through the RFN secretariat Defra has a key role in ensuring RFN groups are kept informed of policy developments and priorities.

Annex 2:

Defra's Investment in the Rural Community Action Network (RCAN)

Action with Communities in Rural England (ACRE) and RCAN

The Rural Community Action Network (RCAN) is made up of 38 charitable local development agencies (called Rural Community Councils - RCCs). RCCs work on a large range of social, environmental and economic issues responding to local need. Action with Communities in Rural England (ACRE) is the national umbrella body for the network.

The RCCs act as a strategic voice for rural communities allowing grass roots rural issues to be championed and solutions worked out in partnership between public, voluntary and private sector providers. The RCCs perform this function for rural communities in much the same way as CVS does in an urban context.

RCCs work with communities in an inclusive and holistic way, helping people to develop local solutions to local challenges very much in line with the Big Society approach. Alongside this, the RCCs provide a trusted support network for rural community groups, including dedicated expertise in areas such as community led planning, transport, housing, broadband, management of community-owned facilities, social enterprise and rural services.

Defra's partnership with RCAN

Defra has a long-standing partnership with RCAN. The partnership is based on supporting RCAN's:

- Local capacity building work to help deliver the long term sustainability of rural communities across England
- Positioning at the interface between communities and local government
- Ability to access grass roots intelligence against the national and sub-national policy context.

Defra provides grant in aid funding to RCAN (details below). The current partnership agreement runs from April 2011 to March 2015. The agreement includes the provision of front-line intelligence from the RCCs to Defra on our priority rural policy areas of housing and planning; fuel poverty and energy; transport, facilities and services; and broadband. This informs and supports Defra's role in mainstreaming rural dimensions to policy making and engaging with civil society.

Through ACRE's partnership with Defra frontline rural community experiences and intelligence is extended up to national Government. The network has the capability to communicate quickly, inexpensively and directly with rural communities and Parish and

Town Councils. This is of tremendous value to all levels of government and it is used accordingly for consultation, communication and validation.

Funding Arrangements

Defra funding for the Rural Community Action Network from April 2011 to March 2015 totals £10.5 million. The funding is channelled through ACRE as the accountable body. Each quarter ACRE pay out the Defra funds to the RCCs based on a funding formula agreed between ACRE and RCAN. Funding for 2011 – 20013 has been confirmed at £6 million, split between years one and two as follows: Year 1 (2011/12) £3.2 million and Year 2 (2012/13) £2.8 million.

Funding from Defra has been used as a enabling resource for the RCCs and does not dominate their finances or compromise their independence. In 2008/9 Defra funding accounted for approximately 8% of RCANs total funding with the remainder coming from a portfolio of local and national grants, project funding, local government and charities.

Links to Further Information

www.acre.org.uk

Annex 3: RCPU and CRC Budget and Estimated Costs for SR10

(£000s)

Budgets for SR10

	10/11 baseline	11/12 budget	Difference to baseline	12/13 budget	Difference to baseline	13/14 budget	Difference to baseline	14/15 budget	Difference to baseline
Defra RCPU	1,038	2,203	1,165	1,920	882	2,417	1,379	2,415	1,377
CRC GIA	5,741	600	-5,141	500	-5,241	0	-5,741	0	-5,741
Total	6,779	2,803	-3,976	2,420	-4,359	2,417	-4,362	2,415	-4,364
Budget source:									
Defra (10/11 RPD baseline less SR10 % reductions)		*961*		*885*		*882*		*880*	
CRC (element of CRC baseline retained in SR allocations)		*1,842*		*1,535*		*1,535*		*1,535*	
Total		*2,803*		*2,420*		*2,417*		*2,415*	

Anticipated Costs for SR10

	10/11 Expenditure	11/12 estimated spend		12/13 estimated spend		13/14 estimated spend		14/15 estimated spend	
Defra RCPU running costs	1287	2183		1900		2417		2415	
Direct sponsorship function	20	20		20		0		0	
CRC delivery costs	4854	399		500		0		0	
CRC redundancy costs met/estimated	1248	36		150		0		0	
CRC retained finance team (one off)	-	116		0		0		0	
Transitional costs met by Defra (IT support, audit)	-	21		?		0		0	
Defra back office support staff running costs (Non-RCPU)	-	48		?		0		0	
	7409	2823		2570		2417		2415	

Staff movements as a result of transition of phase 1

	2010/11	cost	Number of staff	cost	Number of staff	cost	Number of staff	cost	Number of staff
Compulsory Redundancies	**40**	**36**	**6**	**150**	**3.5**		**0**		**0**
Voluntary exits	**6**	**0**	**0**	**0**	**0**		**0**		**0**

Annex 4

Consultation on the proposed abolition of the CRC

Impact Assessment