



Mark Isherwood MS
Chair
Public Accounts and Public Administration Committee
Welsh Parliament

29 September 2021

Dear Chair

Ensuring Value for Money from Rural Development Grants

I am writing in response to your letter of 21 July about the above, which follows the previous Public Accounts Committee's consideration of the evidence on Rural Development Grants.

As you can imagine there have been considerable challenges for many RDP projects, due to the impact of the pandemic and the ongoing effects of the United Kingdom's exit from the European Union. That said, Welsh Government remains confident the RDP will be fully spent by the end of 2023.

Current project level commitment stands at £751.3m, representing 90% commitment of funds against a total programme value of over £838m (please note the sterling value of the programme is not fixed due to constant changes to the exchange rate). Applications to a value of £70m are currently being appraised by Welsh Government staff, and scheme windows continue to operate to ensure the programme is fully committed. As at 2 September 2021, total programme spend has exceeded £550m, representing 66% of total programme value, of which £386.9m is EU funds.

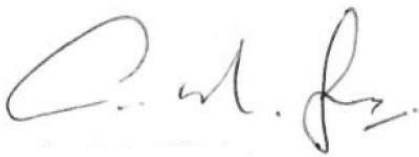
Regarding improvements in the application process, Welsh Government has developed a single stage application process using its Rural Payments Wales (RPW) online portal. The new process is designed to capture and use all information in a single system, streamlining the appraisal and claims approval process for beneficiaries.

In addition, the Welsh Government is currently undertaking an exercise to verify aspects of individual project administration and delivery, such as competitive tendering requirements, before the formal in-situ administrative checks are undertaken towards the end of a project. This work is being brought forward to verify reasonableness of costs, reduce the in-situ burden and streamline the required project closure process, removing a potential bottleneck and delay of final claim payments for projects during the remainder of the N+3 period i.e. by 31 December 2023.

Recognising that individual projects may struggle to meet the N+3 deadline due to the ongoing impact of the COVID-19 pandemic and EU Exit, the Minister for Rural Affairs and North Wales announced on 21 September 2021 a package of further commitments, including a reasonable element of over-programming, to be made through the RDP. This approach should further mitigate the risk of unspent funds being forfeited.

With best wishes.

Yours sincerely

A handwritten signature in black ink, appearing to read 'A. Slade', written in a cursive style.

Andrew Slade
Director General
Economy, Skills and Natural Resources