



House of Commons
Environment, Food and Rural
Affairs Committee

Performance of the Rural Payments Agency

Fifth Report of Session 2017–19

*Report, together with formal minutes relating
to the report*

*Ordered by the House of Commons
to be printed 2 May 2018*

The Environment, Food and Rural Affairs Committee

The Environment, Food and Rural Affairs Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department of Environment, Food and Rural Affairs and associated public bodies.

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Powers

The Committee is one of the departmental select committees, the powers of which are set out in House of Commons Standing Orders, principally in SO No 152. These are available on the Internet via www.parliament.uk.

Publications

Committee reports are published on the Committee's website at www.parliament.uk/efracom and in print by Order of the House.

Evidence relating to this report is published on the inquiry publications page of the [Committee's website](#).

Committee staff

The current staff of the Committee are Eliot Barrass (Clerk), Sian Woodward (Clerk), Daniel Schlappa (Second Clerk), Xameerah Malik (Senior Committee Specialist), Anwen Rees (Committee Specialist), Laura Grant (Committee Specialist), James Hockaday (Senior Committee Assistant), Ian Blair (Committee Assistant) and Annabel Russell (Committee Assistant).

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Summary

The farming industry relies on EU subsidies for financial stability. Subsidy payment is administered by the Department for Environment, Food and Rural Affairs (Defra) through the Rural Payments Agency (RPA).

Farmers remain dissatisfied with the RPA's performance. Though we welcome the fact that the RPA met its payment targets for December 2017, achieving these targets should be a bare minimum. The RPA's multiple failures are causing significant harm to farmers across the country. Substantial improvements across the organisation are needed to address this. It is unacceptable that over 3,000 farmers had not been paid by March 2018. Communications with farmers and the complaints handling service remain poor. There are also widespread concerns over errors from recent mapping updates and inaccurate payments. This is simply not good enough.

Defra recently announced that the RPA will be taking on responsibility for delivering the Countryside Stewardship and Environmental Stewardship schemes. The RPA expects to begin administering these around autumn 2018. This places an additional burden on an organisation which does not appear to have mastered its existing workload. Changes to the way farmers will be paid once the UK leaves the EU present still further challenges.

The Committee's key recommendations and conclusions are:

- The RPA should set more stretching targets to encourage improved performance for the 2018 Basic Payment Scheme (BPS). The Agency should aim to make 98 percent of payments by the end of March each year. The RPA must also thoroughly investigate any complaints of payment inaccuracies and rectify these as quickly as possible.
- Farmers are becoming increasingly frustrated at having to spend time and effort correcting mapping errors which are not their fault. All mapping queries must be resolved as quickly as possible to ensure these do not affect the 2018 BPS payments. The RPA should also develop a system enabling farmers to make direct changes to the online mapping register.
- We welcome the appointment of a new Director to oversee and improve customer service, and urge the RPA to publish detailed customer satisfaction statistics to track progress and accountability.
- We call on the RPA to set out a clear strategy detailing how it will improve communications and complaints handling. This should involve changes to the helpline system so that a single point of contact is available. This would provide farmers with some much needed continuity in the process.
- The RPA should publish an ambitious set of key performance indicators for delivering the Countryside Stewardship and Environmental Stewardship schemes. These should include targets for increased uptake, processing times, and customer satisfaction ratings. Defra must ensure that the RPA has sufficient resources and expertise to carry out these operations as effectively as possible.

- It is crucial that Defra fully involves the RPA in Brexit transition discussions to ensure that operational practicalities are properly reflected in policy development. Defra must be clear about the RPA's capacity to deliver, and ensure that preparations for providing timely subsidy payments post-Brexit are made a priority during the agricultural transition period.
- The RPA's history of failing to deliver workable payment systems does not fill us with confidence that it has either the capacity or expertise to deliver a seamless Brexit transition.

1 Our inquiry

Our inquiry

1. We launched this inquiry on 19 March 2018 to scrutinise the work of the Rural Payments Agency (RPA). We received a number of written submissions and took oral evidence from Paul Caldwell, Chief Executive Officer, and Peter Bainbridge, Operational Delivery Director, of the RPA.¹ We asked them to explain the RPA's ongoing problems with delivering payments on time, and sought assurances that performance and customer service would improve for the 2018 Basic Payment Scheme (BPS) process.
2. We take regular evidence from the Rural Payments Agency to ensure it is held to account for its performance.² Our predecessor Environment, Food and Rural Affairs Committee published a report on 4 May 2016 into *Common Agricultural Policy: payments to farmers*.³ That report criticised the RPA's 2015 BPS performance and called for more timely payments, greater support to farmers experiencing financial hardship, and improvements to the RPA's communications. That Committee wrote to Chief Executive Officer of the RPA in November 2016⁴ and to the Secretary of State for the Department for Environment, Food and Rural Affairs (Defra) in April 2017,⁵ highlighting the need for improvements to the Agency's performance. The Committee of Public Accounts also published a report on 10 February 2017 on *Progress on the Common Agricultural Policy Delivery Programme*.⁶
3. This Report sets out our immediate conclusions and recommendations which must be addressed by Defra and the RPA to ensure that the farming industry is provided with the financial stability and assurances needed to navigate the challenges ahead.

1 For all published evidence see Environment, Food and Rural Affairs Committee, [Work of the Rural Payments Agency inquiry](#)

2 Written and oral evidence from previous inquiries is available on our [website](#)

3 Environment, Food and Rural Affairs Committee, [Fifth Report of Session 2015–16, Common Agricultural Policy: payments to farmers](#), HC405-i

4 Environment, Food and Rural Affairs Committee, [Chair to Chief Executive of the Rural Payments Agency regarding Basic Payments Scheme](#), 30 November 2016

5 Environment, Food and Rural Affairs Committee, [Correspondence with the Minister of State, Department for Environment, Food and Rural Affairs, relating to the performance of the Rural Payments Agency](#), 25 April 2017

6 Committee of Public Accounts, [Progress on the Common Agricultural Policy Delivery Programme](#), Fortieth Report of Session 2016–17, HC766

2 Delayed and inaccurate payments

Payment performance

4. Farmers continue to be affected by the ongoing poor performance of the RPA. The majority of farmers rely on timely subsidy payments to provide financial stability and cash flow security. Delays cause significant hardship and make it difficult for recipients to plan ahead. Subsidy payment is administered by Defra through the Rural Payments Agency (RPA). The RPA is responsible for ensuring that EU subsidies are paid on time, and accurately. Farmers told us, however, that they were frustrated by ongoing delays to the payment of their subsidies.⁷

Past performance

5. Problems with timely payments have become a recurring theme in our sessions with the RPA.⁸ The application period for the BPS generally opens in March and closes in May each year. The window for the RPA to pay farmers runs from 1 December to 30 June each year. The Agency aims to pay the majority of farmers by 31 December each year.⁹ The RPA performed well in the 2014–15 payment window, making 97 percent of payments by the end of December 2014.¹⁰ This was followed by a poor performance in the 2015–16 window, with 38 percent of payments by value being made by 1 December 2015 and only 51 percent of payments being processed by 4 January 2016.¹¹ A number of factors were attributed to this disappointing performance, including widespread technology issues with a new IT system and problems with land and payment calculations.¹² The RPA improved in the 2016–17 window, making 91 percent of payments by the end of December 2016.¹³

This year's performance

6. As previously noted, in 2014–15 the RPA made 97 percent of payments by the end of December 2014.¹⁴ Former CEO Mark Grimshaw said in November 2016 that the RPA aimed to return to similarly high performance levels by 2017–18.¹⁵ This ambition has not yet been met. For the 2017 window, the RPA disbursed 91 percent of BPS payments by end of December 2017,¹⁶ and 95.8 percent by March 2018.¹⁷ The RPA therefore met its target of paying 90 percent of customers by the end of December, and this is to be welcomed.

7 Qq44–56

8 See for example Environment, Food and Rural Affairs Committee, [Fifth Report of Session 2015–16, Common Agricultural Policy: payments to farmers](#)

9 See for example Rural Payments Agency, [Annual Report and Accounts 2014–2015](#), p.9 and Rural Payments Agency, [Annual Report and Accounts 2016–2017](#), p.9

10 Environment, Food and Rural Affairs Committee, [Fifth Report of Session 2015–16, Common Agricultural Policy: payments to farmers](#), para 3

11 *Ibid.*, para 7

12 Committee of Public Accounts, [Progress on the Common Agricultural Policy Delivery Programme](#), Fortieth Report of Session 2016–17, para 4

13 Farming UK, [91 per cent of farmers in England have now received 2016 BPS payments](#), 4 January 2017

14 Environment, Food and Rural Affairs Committee, [Fifth Report of Session 2015–16, Common Agricultural Policy: payments to farmers](#), para 3

15 Committee of Public Accounts, [oral evidence: CAP Delivery Programme: progress review](#), HC 766, Q63

16 Defra, [Farming for the next generation](#), 5 January 2018

17 Q27

However, it falls far short of earlier service levels in 2014–15, which operated under the more stretching target of paying 93 percent of customers by 31 December and 97 percent by the following March.¹⁸

7. As of March 2018 there were over 3,000 farmers who had yet to receive their 2017 BPS payment.¹⁹ The RPA also confirmed that no 2017 payments had been made to New Forest commoners claimants, as of March 2018.²⁰ This is likely to have a substantial impact on the region's rural economy.

Support for farmers awaiting payment

8. Delayed payments cause significant hardship to farmers who operate on tight margins.²¹ The RPA committed on 26 January 2018 to paying bridging loans covering 75 percent of the claim value to farmers who did not receive payment by 31 March 2018.²² Whilst this support is welcome, we heard calls from Mr Fraser McAuley of the Country Land & Business Association (CLA) for these commitments and bridging payments to be made earlier in the process to aid business planning.²³

9. Mr Caldwell gave us assurances that bridging payments should be received by 9 April 2018.²⁴ We asked him if he found it acceptable that so many farmers were without funds for so long, and may have incurred significant hardship and overdraft fees as a result.²⁵ He stated that:

We are making a bridging payment in recognition of the fact that that situation exists, but it does not make me feel comfortable. I repeat that we will redouble our efforts to make sure that all those payments go out as soon as possible.²⁶

Accuracy of 2017 BPS payments

10. The accuracy of the 2017 BPS payments made in the current window is also in question. One agent acting on behalf of BPS claimants told us that 25 percent of its clients who had received their 2017 BPS had been underpaid.²⁷ A number of other stakeholders told us that they had experienced problems with potential inaccurate payments.²⁸ The RPA has a history of problems with payment accuracy. In June 2016, the RPA conducted a review of farmers who had been paid prior to the end of March 2016. It transpired that over 10,000 claimants had not received full payment, requiring top-ups amounting to £27.4 million.²⁹

18 Rural Payment Agency, [Annual Report and Accounts 2014–15 Session 2015–16](#), HC 241, 13 July 2015, p.9
 19 Q2
 20 Rural Payments Agency ([RPA0014](#))
 21 Qq56–62
 22 Rural Payments Agency ([RPA0014](#))
 23 Mr Fraser McAuley ([RPA0002](#)) para 6
 24 Q7
 25 Qq8–15
 26 Q15
 27 DJM Consulting ([RPA0008](#)) para 6
 28 Q66
 29 C&AG's Report, [Progress on the Common Agricultural Policy Delivery Programme](#), Session 2016–17, HC 727, 24 October 2016, paras 2.8–2.9

11. Mr Caldwell maintained he was “pretty confident” that the 2017 BPS payments were “accurate to a high degree”, but acknowledged he did “not have a figure for accuracy as such” and did “not have a figure for the precise number of people” who had written to complain of 2017 payment inaccuracies.³⁰ Mr Bainbridge, Operational Delivery Director, maintained that resolving outstanding payment queries was the RPA’s “number one priority”.³¹

12. We are pleased that the RPA met its 2017 Basic Payment Scheme (BPS) targets. Achieving these targets should be a bare minimum, however. The RPA’s multiple failures are causing significant harm to farmers across the country. Over 3000 farmers were still awaiting payment by March 2018. There are ongoing concerns over payment accuracy. This is simply not good enough.

13. We expect the RPA to revise internal processes and set more stretching targets to improve performance for the 2018 BPS. This must involve the development of a clear strategy outlining how the number of farmers paid between the end of December and the end of March will be increased. The RPA should aim to make 98 percent of payments by the end of March each year. The RPA should also thoroughly investigate any complaints of payment inaccuracies and rectify these as quickly as possible.

Mapping

14. The European Commission requires that each country operating Common Agricultural Policy (CAP) schemes regularly check the ownership of land plots against up-to-date information. It is important that the RPA maintains an accurate registry of land maps to facilitate the accurate and timely payment of subsidies. The RPA’s digital land maps were checked, updated and changes published between August and December for 2017, and between January and March for 2018.³² This process received substantial criticism.³³ Many stakeholders believed it had resulted in widespread errors which needed to be rectified.³⁴ The Wildlife Trust for Bedfordshire, Cambridgeshire and Northamptonshire (WTBCN) described the mapping system and application process as “not fit for purpose”.³⁵

15. Farmers are able to view the RPA’s online maps but cannot make direct changes to any errors they find.³⁶ They must instead submit a paper-based RLE1 form to request changes. We heard that farmers are frustrated with this process, through which they must devote considerable time and effort to correcting the RPA’s own mapping errors.³⁷ Mr Caldwell acknowledged that if the RPA has “misplaced” a land parcel, “that is something [the RPA] should correct”.³⁸

30 Q29

31 Q70

32 Rural Payments Agency, [Digital maps in the Rural Payments service - check and change mapping updates](#), 12 March 2018

33 Mr Fraser McAuley (RPA0002) paras 2–4, Game Wildlife Conservation Trust (RPA0006) paras 1–4

34 Mr Fraser McAuley (RPA0002)

35 Wildlife Trust for Bedfordshire, Cambridgeshire and Northamptonshire (WTBCN) (RPA0010)

36 Q39

37 Q79

38 Q85

16. **Farmers are becoming increasingly frustrated at having to spend time and effort correcting mapping errors which are not their fault. We are also concerned that mistakes made in the RPA’s recent re-mapping exercise may lead to further problems in the future. We recommend that the RPA develop a system enabling farmers to make direct changes to the online mapping register.**

17. It is important that the RPA deals with mapping queries quickly and accurately. Concerns have been raised about the time and resources needed to deal with the volume of RLE1 forms, which farmers may submit to query mapping updates.³⁹ There is a risk that the resources needed to rectify mapping issues could result in delays to 2018 BPS payments, or that 2018 payments may be inaccurate due to unresolved mapping errors.

18. Mr Caldwell was nevertheless bullish about the RPA’s expected performance. He maintained he was “pretty confident that we will perform just as well in 2018, if not better” and believed the changes had so far “led to a very small impact in respect of payments”.⁴⁰ We asked Mr Caldwell what the RPA was doing to rectify mapping errors involving hedges, which might impact on a farmer’s Ecological Focus Area claim.⁴¹ He told us the RPA was “committed” to working with farmers to resolve any issues.⁴²

19. **We welcome the RPA’s confidence that it can improve on past performance in spite of mapping challenges. The RPA must work to resolve all mapping queries as quickly as possible to ensure these do not affect 2018 BPS payments. We recommend that the RPA publish key performance indicators for mapping accuracy and resolution times for mapping errors by October 2018. We will hold the RPA to account for its performance in 2018–19.**

Communication and complaints handling

Communication

20. The RPA has received sustained criticism for its poor communication. In a previous report, our predecessor Committee highlighted the RPA’s lack of communication with farmers and the lack of transparency over progress on making payments.⁴³ In its 2016 response, the Government said that the RPA would communicate “more clearly and consistently [...] when payments are likely to be made to different groups of farmers” and “ensure that the helpline and customer-facing services are better equipped to provide answers to claim and payment queries”.⁴⁴

21. Mr Fraser McAuley of the CLA believed however that there continues to be a “distinct lack of information on the progress of payment queries” and that the RPA was “unwilling

39 Mr Fraser McAuley ([RPA0002](#)) para 4

40 Q75

41 Ecological Focus Areas (EFAs) are areas where farmers carry out agricultural practices benefiting the environment. Farmers with more than 15 hectares of arable land must have EFAs on their land. Some arable farmers are exempt from this rule. For more information see Rural Payments Agency, [Basic Payment Scheme: rules for 2017](#), p.41

42 Q77

43 Environment, Food and Rural Affairs Committee, [Fifth Report of Session 2015–16, Common Agricultural Policy: payments to farmers](#), paras 21–28

44 Environment, Food and Rural Affairs Committee, [Fifth Report of Session 2015–16, Common Agricultural Policy: payments to farmers, Government Response](#), HC664, p.3

to divulge approximate dates of when they expect these to be resolved”.⁴⁵ The National Farmers’ Union (NFU) criticised the RPA in March 2018 for leaving unpaid farmers “in the dark” over the status of the 2017 claims, making the accurate completion of 2018 BPS forms difficult. NFU Vice President Stuart Roberts said “many of our members have continued to report to us that they are unable to get any meaningful updates and this lack of communication leaves cash flow planning impossible”.⁴⁶

22. The RPA’s helpline process has also received criticism for being inefficient, as farmers have to explain their issue each time they contact a customer service agent.⁴⁷ The support system was said to have been better in previous years, when a single point of contact was available to handle a claimant’s questions and provide continuity.⁴⁸

23. The RPA told us that it had introduced several improvements to its communications, such as providing monthly bulletin updates, general information on what farmers should be planning for, and issuing acknowledgements for land change requests.⁴⁹ Mr Caldwell acknowledged however that the RPA still had “some way to go with regard to the experience of the people dealing with us”.⁵⁰ He confirmed that a new Director was being appointed to oversee and improve the RPA’s customer service and experience.⁵¹

Complaints handling

24. The RPA’s complaints handling process continues to experience difficulties. In 2016–17, some 1,049 out of 2,930 complaints were closed within 150 working days. In 2017–18, a total of 2,042 complaints were closed within 78 average working days.⁵² Whilst this reduction in processing time is to be welcomed, there remains significant room for improvement. There were over 1,000 complaints still unresolved as of March 2018. Mr Caldwell acknowledged this service should be “much, much better”.⁵³ The overall level of customer satisfaction is difficult to gauge, as the RPA’s recent annual reports do not provide detailed information on this subject.⁵⁴

25. We agree with Mr Caldwell’s assessment that the RPA’s customer service needs to be “much, much better”. Communications from the RPA continue to be extremely poor. It also takes far too long for complaints to be resolved. This is compounded by a backlog of over 1,000 complaints that are still unresolved.

26. We welcome the appointment of a new Director to oversee and improve customer service, and urge the RPA to publish detailed customer satisfaction statistics to track progress and accountability. We call on the Agency to set out a clear strategy detailing how improvements to communications and customer service will be implemented. This

45 Mr Fraser McAuley (RPA0002)

46 NFU, [RPA continues to leave farmers in the dark over payments](#), 12 March 2018

47 Q68

48 DJM Consulting (RPA0008) paras 10–11

49 Rural Payments Agency (RPA0014)

50 Q61

51 Q67

52 Rural Payments Agency (RPA0014)

53 Q71

54 Rural Payments Agency, [Annual Report and Accounts 2016–2017](#), Rural Payments Agency, [Annual Report and Accounts 2015–2016](#)

should involve changes to the helpline system so that a single point of contact is available. This would provide farmers with some much-needed continuity in the process. We expect a progress report when we next take evidence from the Agency.

3 Future of the RPA

Administering agri-environment schemes

27. In March 2018 Defra announced that administration of Countryside Stewardship (CS) and Environmental Stewardship (ES) was being transferred to the Rural Payments Agency from Natural England.⁵⁵ These agri-environment schemes provide land managers with financial incentives to look after the environment. Some staff at Natural England who worked on CS and ES will reportedly be transferred to the RPA.⁵⁶ Defra described the transfer of responsibilities as “part of work to simplify CS as far as possible within the current EU framework”. This is intended to provide a “more efficient and joined-up service”.⁵⁷ The announcement followed Defra’s earlier proposal to make it easier to apply for CS and improve customer experience.⁵⁸

28. Farmers applying for these stewardship schemes in the past have encountered substantial delays and problems in getting applications accepted and processed. Mr Caldwell assured us that the RPA would be working with Natural England to identify and implement areas for improvement, and was committed to making the process “more streamlined and simpler”.⁵⁹

29. Some have welcomed the move. Jonathan Baker of the CLA said that “our hope is these changes will lead to simplification and more user-friendly administration for the farmers and landowners in existing or future schemes”.⁶⁰ NFU Deputy President Guy Smith said, however, that whilst plans to improve delivery should be welcomed, “many farmers will not be reassured that delivery is moving from [Natural England] to the RPA”.⁶¹ The Wildlife Trusts similarly told us that it harboured “deep concerns” over the proposed transfer of responsibilities.⁶²

30. We questioned Mr Caldwell on the RPA’s ability to deliver these schemes, given that it was already struggling with its current workload. Mr Caldwell maintained the RPA was up to the job and confirmed that administration would be taken on in autumn 2018. He explained the RPA would “receive the applications for agreement, administer them and then go on to administer the payments”.⁶³ He told us that success would be measured “by improving the rate at which farmers get their money and the ability for them to make applications to the scheme”, but did not provide further specifics.⁶⁴

31. The RPA will soon be administering the Countryside Stewardship and Environmental Stewardship schemes. We look forward to the improvements to delivery that have been promised. Given the RPA’s history of problems with operational delivery, however, we remain cautious in our optimism. *The RPA should publish an*

55 Defra, [Defra in the Media: Moving the administration of CS and ES to the RPA](#), 9 March 2018

56 Ibid.

57 Ibid.

58 Defra, [Health and Harmony: the future for food, farming and the environment in a Green Brexit](#), p.17

59 Qq91–94

60 Farmers Guardian, [Defra to transfer delivery of agri-environment schemes to the RPA](#), 8 March 2018

61 NFU, [Delivery of Countryside and Environmental Stewardship moving to RPA](#), 7 March 2018

62 The Wildlife Trusts ([RPA0005](#))

63 Q91

64 Q88

ambitious set of key performance indicators for delivering these new schemes. These should include targets for increased uptake, processing times, and customer satisfaction ratings.

32. Defra must ensure that the RPA has sufficient resources and expertise to carry out these operations as effectively as possible. The Department should inform us in response to this Report what additional resources will be made available.

Coping with Brexit and payment system reforms

33. Leaving the European Union and CAP creates an opportunity for significant reform to the way in which farmers are paid. Defra has stated that it wants “a brighter future for farming” with “a more dynamic, more self-reliant agriculture industry”.⁶⁵ Defra plans to phase out Direct Payments and introduce a new agricultural policy using “public money to pay for public goods”.⁶⁶ Once the UK has left the EU, Direct Payments will be phased out over an agricultural transition period in England.

34. The Government has stated that farmers will receive the “same cash funds” as they did under CAP until the end of the present Parliament.⁶⁷ Farmers will also receive guaranteed payments during the transition period.⁶⁸ It is not yet clear what kind of payment system will be introduced after the agricultural transition, how it will be administered, or what the precise role of the RPA would be under a new scheme.

35. There is a risk that the RPA lacks sufficient resources for the challenges ahead. The Agency will likely need to implement a new post-Brexit payment system within tight timescales. This comes in addition to fulfilling its new responsibilities of delivering the Countryside Stewardship and Environment Stewardship schemes, and upgrading their processes to improve service delivery.

36. A 2017 report from the Committee of Public Accounts noted that “the Department’s record of failure when developing systems to support subsidy payments to farmers does not inspire confidence in its ability to cope with the challenges associated with Brexit that lie ahead”.⁶⁹ Reports from and oral evidence gathered by our predecessor Committee have also catalogued the RPA’s multiple failings in service delivery.⁷⁰

37. We questioned Mr Caldwell on the RPA’s capacity to deliver a new payment system after the UK leaves the EU. He told us he was “confident that we have the expertise. We are busy making the capacity”.⁷¹ However, he confirmed that the RPA had “not increased capacity” to deal with its upcoming workload but had rather “redeployed” it from elsewhere in the organisation.⁷²

65 Defra, [Health and Harmony: the future for food, farming and the environment in a Green Brexit](#), February 2018, p.6

66 Defra, [Health and Harmony: the future for food, farming and the environment in a Green Brexit](#), February 2018, p.20

67 [HC Deb 2 November 2017 c.949](#) and GOV.UK, [Farming for the Next Generation](#), 5 January 2017

68 GOV.UK, [Farming for the Next Generation](#), 5 January 2017

69 Committee of Public Accounts, [Progress on the Common Agricultural Policy Delivery Programme](#), Fortieth Report of Session 2016–17, p.3

70 See for example Environment, Food and Rural Affairs Committee, [Fifth Report of Session 2015–16, Common Agricultural Policy: payments to farmers](#)

71 Q104

72 Q105

38. Brexit represents a significant challenge for Defra and the RPA. The Agency's history of failing to deliver workable payment systems does not fill us with confidence that it has either the capacity or expertise to deliver a seamless Brexit transition. *It is crucial that Defra fully involves the RPA in Brexit transition discussions to ensure that operational practicalities are properly reflected in policy development. Defra must be clear about the RPA's capacity to deliver, and ensure that preparations for providing timely subsidy payments post-Brexit are made a priority during the agricultural transition period.*

Conclusions and recommendations

Delayed and inaccurate payments

1. We are pleased that the RPA met its 2017 Basic Payment Scheme (BPS) targets. Achieving these targets should be a bare minimum, however. The RPA's multiple failures are causing significant harm to farmers across the country. Over 3000 farmers were still awaiting payment by March 2018. There are ongoing concerns over payment accuracy. This is simply not good enough. (Paragraph 12)
2. *We expect the RPA to revise internal processes and set more stretching targets to improve performance for the 2018 BPS. This must involve the development of a clear strategy outlining how the number of farmers paid between the end of December and the end of March will be increased. The RPA should aim to make 98 percent of payments by the end of March each year. The RPA should also thoroughly investigate any complaints of payment inaccuracies and rectify these as quickly as possible.* (Paragraph 13)
3. Farmers are becoming increasingly frustrated at having to spend time and effort correcting mapping errors which are not their fault. We are also concerned that mistakes made in the RPA's recent re-mapping exercise may lead to further problems in the future. *We recommend that the RPA develop a system enabling farmers to make direct changes to the online mapping register.* (Paragraph 16)
4. We welcome the RPA's confidence that it can improve on past performance in spite of mapping challenges. *The RPA must work to resolve all mapping queries as quickly as possible to ensure these do not affect 2018 BPS payments. We recommend that the RPA publish key performance indicators for mapping accuracy and resolution times for mapping errors by October 2018. We will hold the RPA to account for its performance in 2018–19.* (Paragraph 19)
5. We agree with Mr Caldwell's assessment that the RPA's customer service needs to be "much, much better". Communications from the RPA continue to be extremely poor. It also takes far too long for complaints to be resolved. This is compounded by a backlog of over 1,000 complaints that are still unresolved. (Paragraph 25)
6. *We welcome the appointment of a new Director to oversee and improve customer service, and urge the RPA to publish detailed customer satisfaction statistics to track progress and accountability. We call on the Agency to set out a clear strategy detailing how improvements to communications and customer service will be implemented. This should involve changes to the helpline system so that a single point of contact is available. This would provide farmers with some much-needed continuity in the process. We expect a progress report when we next take evidence from the Agency.* (Paragraph 26)

Future of the RPA

7. The RPA will soon be administering the Countryside Stewardship and Environmental Stewardship schemes. We look forward to the improvements to delivery that have

been promised. Given the RPA's history of problems with operational delivery, however, we remain cautious in our optimism. *The RPA should publish an ambitious set of key performance indicators for delivering these new schemes. These should include targets for increased uptake, processing times, and customer satisfaction ratings.* (Paragraph 31)

8. *Defra must ensure that the RPA has sufficient resources and expertise to carry out these operations as effectively as possible. The Department should inform us in response to this Report what additional resources will be made available.* (Paragraph 32)
9. Brexit represents a significant challenge for Defra and the RPA. The Agency's history of failing to deliver workable payment systems does not fill us with confidence that it has either the capacity or expertise to deliver a seamless Brexit transition. *It is crucial that Defra fully involves the RPA in Brexit transition discussions to ensure that operational practicalities are properly reflected in policy development. Defra must be clear about the RPA's capacity to deliver, and ensure that preparations for providing timely subsidy payments post-Brexit are made a priority during the agricultural transition period.* (Paragraph 38)

Formal minutes

Wednesday 2 May 2018

Members present:

Neil Parish, in the Chair

Alan Brown	Kerry McCarthy
John Grogan	Mrs Sheryll Murray
Dr Caroline Johnson	David Simpson
Sandy Martin	Angela Smith

Draft Report (*Performance of the Rural Payments Agency*) proposed by the Chair, brought up and read.

Question put, That the draft Report be read a second time, paragraph by paragraph.

Paragraphs 1 to 38 agreed to.

Summary agreed to.

Resolved, That the Report be the Fifth Report of the Committee to the House.

Ordered, That the Chair make the Report to the House.

Ordered, That embargoed copies of the Report be made available, in accordance with the provisions of Standing Order No. 134.

[Adjourned till Wednesday 9 May 9.15am

Witnesses

The following witnesses gave evidence. Transcripts can be viewed on the [inquiry publications page](#) of the Committee's website.

Wednesday 28 March 2018

Question numbers

Paul Caldwell, Chief Executive, Rural Payments Agency; **Peter Bainbridge**, Operational Delivery Director, Rural Payments Agency.

[Q1–110](#)

Published written evidence

The following written evidence was received and can be viewed on the [inquiry publications page](#) of the Committee's website.

RPA numbers are generated by the evidence processing system and so may not be complete.

- 1 Amphibian & Reptile Conservation Trust ([RPA0007](#))
- 2 British Ecological Society ([RPA0009](#))
- 3 DJM Consulting ([RPA0008](#))
- 4 Foundation for Common Land ([RPA0012](#))
- 5 Game & Wildlife Conservation Trust ([RPA0006](#))
- 6 Greater Dartmoor LEAF & South Devon Coastal LAG ([RPA0001](#))
- 7 Mr Fraser McAuley ([RPA0002](#))
- 8 Partner George Hosford ([RPA0013](#))
- 9 Rural Payments Agency ([RPA0014](#))
- 10 The Wildlife Trust for Bedfordshire, Cambridgeshire and Northamptonshire ([RPA0010](#))
- 11 The Wildlife Trusts ([RPA0005](#))

List of Reports from the Committee during the current Parliament

All publications from the Committee are available on the [publications page](#) of the Committee's website. The reference number of the Government's response to each Report is printed in brackets after the HC printing number.

Session 2017–19

First Report	2 Sisters and Standards in Poultry Processing	HC 490
Second Report	Pre-Legislative Scrutiny of the draft Animal Welfare (Sentencing and Recognition of Sentience) Bill 2017	HC 709
Third Report	Brexit: Trade in Food	HC 348
Fourth Report	Improving air quality	HC 433
First Special Report	Food waste in England: Government Response to the Committee's Eighth Report of Session 2016–17	HC 444
Second Special Report	Forestry in England: Seeing the wood for the trees: Government Response to the Committee's Fifth Report of Session 2016–17	HC 445
Third Special Report	Feeding the nation: labour constraints: Government Response to the Committee's Seventh Report of Session 2016–17	HC 446
Fourth Special Report	Post-legislative scrutiny: Flood and Water Management Act 2010: Government Response to the Committee's Sixth Report of Session 2016–17	HC 447
Fifth Special Report	2 Sisters and Standards in Poultry Processing: Government Response to the Committee's First Report	HC 772
Sixth Special Report	2 Sisters and Standards in Poultry Processing: Food Standards Agency Response to the Committee's First Report	HC 861
Seventh Special Report	Pre-Legislative Scrutiny of the draft Animal Welfare (Sentencing and Recognition of Sentience) Bill 2017: Government Response to the Committee's Second Report	HC 984
Eighth Special Report	Brexit: Trade in Food: Government Response to the Committee's Third Report	HC 1021