

Scotland Rural Development Programme 2007 – 2013 implementation

An Update... July 2007

This newsletter, together with future updates, will help to keep you informed on the new SRDP, its development and implementation.

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Delivering the Government's strategic objectives

The SRDP is designed to deliver for Scotland the five key outcomes of: improving business viability, enhancing biodiversity and landscape, improving water quality, tackling climate change and supporting thriving rural communities. Individuals and groups may seek support to help deliver the Government's strategic objectives – a *Greener, Wealthier & Fairer, Healthier, Stronger & Safer* and *Smarter* rural Scotland. At the Debate on the SRDP 2007-13 on 31 May, the Cabinet Secretary committed to the draft Programme inherited from the previous administration. The Cabinet has also promoted an additional measure to support new entrants to farming.

Funding update

The budget for the new programme will be approximately £1.6 billion with the majority of the funding, around 70%, coming from the Scottish Government. The balance of the funding will come from the European Agricultural Fund for Rural Development (EAFRD) and voluntary modulation (13.2% of budget). The Cabinet Secretary has announced that the new rates of voluntary modulation are 5% in 2007, 8% in 2008, 8.5% in 2009 and 9% in each year from 2010 to 2012.

What's changed since March?

- Delayed submission of the SRDP means 31 October 2007 is no longer being used as the planning deadline for delivery of the SRDP

Given the significantly delayed submission of the SRDP (25 June 2007), and the fuller picture we now have of the work and dependencies for successful delivery, we consider it is no longer possible to deliver any element of the SRDP outright by 31 October. We need a robust and comprehensive plan for a managed and successful implementation based on where we are now. To that end, we are agreeing with Policy colleagues an integrated delivery approach addressing all elements of the SRDP, including realistic target delivery dates.

- No Regional Rural Development Fora (RRDFs)

The Policy Board has agreed that there will be no standing RRDFs. Instead the 11 Regional Project Assessment Committees (RPACs) will also play a role in establishing local priorities for delivering national rural development outcomes. Each RPAC will hold one or more open meetings ('Fora') each year at which local stakeholders and interested members of the public will hear about the RPAC's proposed regional priorities for the area and be given an opportunity to express their views.

- Support for new entrants to farming

The Programme will fund a new measure to support young farmers (under 40 years of age) who become the head of a farm business for the first time. The grant will subsidise interest paid on loans taken out to finance the purchase of equipment or machinery, construction or development of buildings and infrastructure, the provision of working capital or the purchase of stock required for the early development of the business. Payment to each eligible business will be limited to £25,000 over 5 years.

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- Name changes

PREVIOUSLY
Scottish Executive Environment and Rural Affairs Department (SEERAD)
Land Management Contract (LMC)
Tier 2 (piloted as Menu Scheme)
Tier 3

NOW
Scottish Executive Rural Payments and Inspections Directorate (SERPID)
Rural Development Contract (RDC)
Land Managers' Options (LMOs)
Rural Priorities (RPs)

- Land Managers' Options Explanatory Booklet in hard copy for Spring 2008.

While all guidance and information relating to the new SRDP will be published on dedicated web-pages, we also intend to produce printed guidance on the RDC – Land Managers' Options in the form of an Explanatory Booklet – for issue with IACS packs in Spring 2008.

More on the new Programme...

We will provide support to land managers, other rural businesses and community groups in a number of ways.

- RDCs – Land Managers' Options (LMOs)

This element of the new Programme was piloted as LMC Menu Scheme. So, what has changed? The principal difference between the Menu Scheme and LMOs will be the expanded list of available options. LMOs will be aligned with the Single Application Form (SAF) and applications submitted by 15 May 2008.

- RDCs – Rural Priorities

Rural Priorities brings together a range of formerly separate support schemes including those covering the farming, forestry and primary processing sectors. Only proposals considered best able to help deliver the priority

outcomes set for a region will receive funding. A feature of Rural Priorities is the Statement of Intent - introduced in order to reduce the risk of disappointment and wasted expense. Potential beneficiaries will be invited to submit a Statement of Intent – an outline, in broad terms, of what is proposed in order to deliver relevant regional priorities. Case Officers will assess these and give feedback on whether or not it is worth developing them into detailed proposals, with preparation of any associated specialist plans. Proposals will be accepted throughout the year with periodic assessment rounds. Case Officers will grade proposals. RPACs will then recommend which proposals should be funded. Final decisions will remain with Scottish Ministers.

- LEADER

As explained in the last issue, Leader is a locally-based approach to development, delivering community benefit under the 2007-13 SRDP through Local Action Groups (LAGs). The Minister issued the first call to establish LAGs for Leader under the new Programme at a conference in Hawick on 22nd June. He announced that guidance packs will shortly be distributed to Local Authorities, Community Planning Partnerships and Local Enterprise Companies with a view to them pulling together a LAG partnership of local public agencies, non-public organisations and businesses. Our aim is to have LAGs selected and ready to operate as soon as the SRDP is approved by Europe. A second invitation will issue in early 2008 to those areas of Scotland who do not feel ready to engage at this time. In the meantime they will be working with potential partners to build their capacity and knowledge of the Leader process.

- LFASS

The SRDP includes detailed proposals for an interim Less Favoured Area Support Scheme (LFASS) covering the period 2007 to 2009.

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Under the proposed scheme, payments will be:

- Historic-based
- Tied to the land and business
- Made only to occupiers who are actively farming the land

As with Rural Development Contracts, participants will be obliged to meet cross compliance requirements, maintaining the land in Good Agricultural and Environmental Condition. Although we intend to make the LFASS claim a part of the Single Application Form (SAF) for 2008, the LFASS 2007 claim will be made on a separate form. We plan to open the 2007 scheme as soon as possible after the SRDP has been approved. Proposals are in hand to enable payments around the end of the year.

- Processing, Marketing and Co-operation

The SRDP will provide assistance to develop facilities to process and add value to primary products from both the agriculture and forestry sectors. Not only will support be available through RDCs to land managers and small rural businesses directly linked to primary producers, but also through a 'stand-alone' Processing & Marketing Grants Scheme. An element of that scheme will also encourage innovation, new product development, the exploitation of new markets and the shortening of the supply chain by linking producers with processors. This will be done through supporting co-operation between primary producers, processors and others in the food and forest products supply chains. We will be able to launch the new schemes once domestic legislation is in place.

- Skills Development

Under RDCs, land managers and others will be able to seek support towards the cost of attending training to improve their business and land management skills. However, there will be a stand-alone scheme to provide support to the training providers – for the setting up and running of group training initiatives.

- Crofting grants

Crofters, crofting community groups and small farmers within the Crofting Counties confirmed to be of similar economic status to crofters will be able to seek assistance through the Crofting Counties Agricultural Grants Scheme (CCAGS) to carry out individual investments that achieve one of the following objectives:

- Reduce production costs;
- Improve product quality;
- Maintain and improve the natural environment and animal health and welfare standards;
- Encourage diversification of farm activities.

The Crofters Commission will administer the scheme.

- Challenge Funds

Two measures operate through a Challenge Fund approach. A panel of experts will judge which set of proposals best meets the aims of the Challenge, offers best value for money and delivers the highest possible public benefits.

- Woodlands In and Around Towns (WIAT)

Owners of existing woodlands that lie within 1 kilometre of a settlement of at least 2,000 people will be able to seek funding through WIAT. WIAT will support a project or a range of operations designed to improve the recreational value of these woodlands for the benefit of the people who live or work in the nearby community.

- Forest for People

A wide spectrum of individuals or groups, including those representing communities, educational interests and social businesses, can seek funding for projects that use the potential of local woodlands to develop stronger communities and benefit the people who live close to those woods in terms of access, health and learning.

The timetable – an update

- The SRDP was submitted to Europe on 25 June – during the week of the Royal Highland Show. The Commission now has up to 6 months to assess and approve it. We are hoping to receive comments and questions from the first round of Interservice Consultation before the Commission's quiet period in August.
- We are working on a robust and comprehensive plan for a managed, successful implementation process based upon where we are now.

The plan will need to integrate all the processes that apply across the SRDP, including approvals, inspections, monitoring & evaluation.

Such an approach will ensure useful elements are made available as early as possible and as appropriate in advance of Programme approval.

- RDC *Rural Priorities* being the new element, we are designing a detailed end-to-end business process from scratch. To date we have:
 - Agreed high-level process for Statements of Intent, proposals and assessment;
 - Made further progress with high level processes for claims and inspections allowing the more detailed definition of requirements;We are now doing detailed work on the delivery of guidance, IT systems, training etc.
- For *Rural Priorities*, we are considering a roll-out process in stages:
 - Capacity-building events for staff and external stakeholders;
 - Case Officers available to guide and assist potential beneficiaries;
 - Open for Statements of Intent and allow subsequent development of Proposals;
 - Bring RPACs into operation.

SRDP 2007-13 information and guidance

SRDP 2007-13 implementation Update newsletter – March 2007

SRDP Information leaflet – June 2007 (published for the Royal Highland Show)

SRDP 2007-13 implementation Update newsletter – July 2007

SRDP 2007-13 implementation Update newsletter – September 2007 (not yet available)

SRDP Information pack - cover wallet with inserts (under development) – to be published from Autumn 2007

New SRDP web area* (under development) – pages to be published from Autumn 2007

- Summary information and links to relevant documents
- 'Explanatory' pages for potential beneficiaries
- Detailed and specialist guidance

Case studies being prepared for in-depth workshops for OtG-family 'front line' staff – Autumn 2007

* to replace current web section (at: <http://www.scotland.gov.uk/Topics/Rural/RDR>)

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