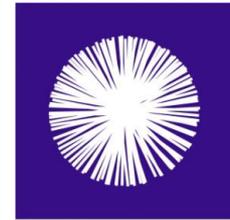


# **Consultation on Scotland Rural Development Programme (SRDP) 2014 – 2020**

## **Stage I: Initial Proposals**



### **Scottish Environment LINK Response**

#### **June 2013**

Scottish  
Environment

**LINK**

**Scottish Environment LINK is the forum for Scotland's voluntary environment organisations, with over 30 member bodies representing a broad spectrum of environmental interests with the common goal of contributing to a more environmentally sustainable society.**

### **Summary**

Scottish Environment LINK welcomes this Stage 1 Consultation on the next Scotland Rural Development Programme (SRDP) and many of the proposals contained within it. In particular we are heartened to see reference to prioritisation and focusing of funds, geographic targeting, approaches to landscape scale and collaborative applications and the potential for integrated applications.

Scottish Environment LINK thinks Scottish Government should be seeking to maximise the budget available for the next SRDP by modulating to the maximum level possible (15% as currently proposed) from Pillar 1 to Pillar 2. Within the SRDP budget it is also imperative that the Scottish Government prioritises environmental objectives, for which there are very limited other sources of funding, and dedicates funds across articles accordingly. Scottish Environment LINK thinks it is imperative funds are focused on key interventions that are likely to deliver maximum value for public money. This includes giving due consideration to the levels of public versus private benefit and benefit over and above the regulatory baseline when deciding on intervention measures and their rate of support.

Importantly, the new SRDP must be seen within the wider policy context, ensuring consistency with all relevant strategies and policy frameworks, including but not restricted to, the Land Use Strategy (LUS), the new Scottish Biodiversity Strategy (SBS), the emerging Historic Environment Strategy, the European Landscape Convention and the Scottish Landscape Character Assessments. The principles of the LUS for example, such as encouraging opportunities for land use to deliver multiple benefits, should be clearly embedded within the design and implementation of the new SRDP if decision makers and practitioners are going to move towards truly sustainable agriculture.

**Question 1:** *Given the EU's Common Strategic Framework approach do you agree or disagree that EU funds in Scotland should be marshalled into three funds (paragraph 27)?*

*Please explain your views.*

We agree with the integration of Scottish Rural Development Programme funding with social and regional development funding and the marshalling of these funds into three themed funding streams. This is consistent with Scottish Government policy and should enable clear, objective and priority led allocation of funds in Scotland and a maximising of benefit from the previously separate European funds. **However, the SRDP remains the most significant source of funding for addressing environmental issues and it will be extremely important within this more integrated framework to ensure that the environment in terms of biodiversity, climate change adaptation, landscape and historic environment, does not become lost or a subsidiary objective after carbon reduction and resource efficiency** – many measures for which have substantial private as well as public benefit. We would therefore like to see a significant proportion of SRDP funds dedicated to the low carbon, resource efficiency and environment funding stream, but focused on interventions that generate largest amounts of public over private benefit.

We wish to see explicit mention in SRDP priorities of climate change adaptation, not least because this appears in the Structural Funds consultation document to have been removed as a priority for Scotland, which we do not agree with, and was poorly covered in the recent scoping report for the SRDP SEA. This all rather worryingly indicates climate change adaptation may drop out of the funding priorities altogether – at a time when multiple extreme weather events, the frequency of which will increase with climate change, have caused incredible disruption and economic hardship especially in land based industries. This does not seem to be coherent with the draft Scottish Climate Change Adaptation Programme.

It will also be important in this new structure to recognise that spend on the environment, particularly via agri-environment, can have a positive impact on the rural economy and communities, competitiveness and jobs – and vice versa. We would therefore like to see funds allocated via all three funding streams looking to maximise benefit across the other themes and cross fund projects should be enabled. At a minimum we would expect a 'no environmental harm' screening process, but would like to see competitiveness type projects being encouraged to seek environmental and social gains.

**Question 2:** *Do you agree or disagree with the proposed establishment of a single Programme Monitoring Committee to ensure all EU funds are targeted effectively (paragraph 29)?*

*Please explain your views.*

We agree with this proposed structure and believe, if set up properly, it will go some way to achieving the necessary coherence across the three funding themes alluded to above. A key part of the PMC terms of reference should be to scrutinise the behind the scenes priority setting and EU fund allocation and draw down that could potentially be obscured by the new fund structure. There is a desire amongst LINK organisations for the PMC to have a more active role than the current SRDP PMC does, and to function as a 'steering committee' of sorts for the funds.

We suggest there may be a need to establish sub groupings of the PMC that have the time to examine in detail the spending against priorities via the funds. This is because we think it is unlikely an overarching PMC will have the time to properly scrutinise progress against objectives as is the case with the current single SRDP PMC. **One way to approach this would be to establish regional PMCs.** As well as examining fund spend in more detail these could also have a role in ensuring cross theme integration at the regional level.

**Question 3:** *Given the need to prioritise our spending in the future programme (paragraph 11) which articles do you see as a priority for use within the next programme?*

*Please explain your views.*

Given the range of varying interests it represents, Scottish Environment LINK sees a range of articles as a priority for use in the next programme. This is compounded by the fact that many of the available Articles can and should be used in combination, supporting each other and enhancing the potential outcomes. Key for us is that priorities, in terms of the issues Scottish Government is seeking to address with the programme, are clearly stated at the outset and that articles are chosen and funds allocated accordingly. **Given the limited funds available, it is essential that all interventions and use of articles take account of levels of public versus private benefit and requirement above the regulatory baseline.**

Scottish Environment LINK believes the next programme should prioritise payments in return for the production of public goods, including biodiversity and habitat conservation, protection of the historic environment, landscapes and access, soil conservation as well as climate change mitigation and adaptation. It should reward sustainable practices with higher support for High Nature Value farming systems and organic farming. We believe this can be delivered by investment in a combination of the following Articles: Article 15 - Knowledge Transfer; Article 16 - Advisory Services; Article 18 - Investment in physical assets (but not support for drainage as suggested in the table in the consultation

document); Article 20 – farm and business development; Article 21 - Village & heritage renewal; Articles 22, 23,24,26 – a range of Forestry measures; Article 28 – Setting up of producer groups; Article 29 – Agri-environment-climate; Article 30 - Organic farming; Article 31 - Natura & WFD; Article 32 – ANCs (with caveats as outlined below); Article 35 – Forest conservation area payments; Article 36 – Co-operation; Articles 42-45 – LEADER (which we note are missing from the table of Articles as presented in the consultation document, so may be unduly under represented in responses to this question).

**Our highest priority for investment is Article 29 – agri-environment-climate.** LINK considers this to be the most important article that should be supported under the SRDP and wish to see a minimum spend of 50% of the SRDP budget on this article. It is only with such a level of expenditure on measures over and above an enforced regulatory baseline (including cross compliance and Pillar 1 greening), that Scottish Government obligations under several European Directives and Conventions, including the Birds and Habitats Directive, the Water Framework Directive and the European Landscape Convention can be fulfilled. LINK also sees this article as supporting Scottish Government obligations for maintaining areas of national landscape and heritage designations such as Geodiversity SSSIs and Scheduled Monuments in a 'stable or improving condition', and as a key delivery mechanism for peatland restoration and establishment of ecological networks – both of which are essential for ecological climate change adaptation in particular.

Scottish Environment LINK also sees **Article 16 – Advisory Services, and 36 – Co-Operation** (including, as we would interpret it, facilitating landscape scale/cross land manager boundary approaches to environmental issues such as natural flood management schemes, large scale habitat restoration projects, the creation of ecological networks, and landscape enhancements as per the objectives of the Central Scotland Green Network and NSAs) as essential supporting articles for the effective delivery of article 29 amongst others. We would therefore be extremely supportive of fund allocation to these articles. In a forestry sense, there is real scope to use these Articles to facilitate large-scale habitat restoration, for example of native woodlands through rhododendron removal or development of woodfuel or other product supply chains. This could include collaborative approaches to ecological survey, management planning, harvesting, marketing and forest certification, backed up by advisory support.

For **Article 18 – Investments in physical assets**, we would like to see capital payments being made available for developing natural and cultural heritage assets and for facilities to encourage access to these, such as nature and heritage trails. This article might also be the best place for investment in farm infrastructure that may help address water quality issues such as gutter improvements - where they are demonstrated to be important for addressing water quality issues in any given case. Intervention rates for this later use of the

article should be weighed against the levels of private benefit of such investment as compared to public benefit.

For the range of **forestry measures** available, plus supporting articles such as co-operation, investment in physical assets and advisory services, we are particularly keen to see a focus on woodland biodiversity condition improvement for priority species, priority habitats and designated wildlife sites and habitat restoration for non-woodland priority species, priority habitats and designated wildlife sites from forestry, including peatland habitat restoration from plantation forestry. Furthermore, forestry measures could and should be used more effectively for amenity and recreational benefits, as well as landscape enhancement. We also support **Article 24 – Establishment of agroforestry systems** – as an effective tool in addressing a range of objectives including biodiversity, carbon emissions, soil and water management and sustainable productivity. This would all be instead of forestry interventions being overly focused on the single objective of woodland expansion, as has largely been the case in the existing programme.

Scottish Environment LINK also strongly supports **Article 30 – Organic farming** – for the continued support of conversion and maintenance of certified organic farming practices. Organic farming promotes sustainable production systems and is acknowledged to deliver a wide range of environmental benefits including increased biodiversity, reduced carbon and pollution impacts, flood mitigation and soil protection. Article 30 also contributes significantly to a number of key Scottish Government policies, including the Climate Change Delivery Plan, The Scottish Organic Action Plan, the Climate Change Adaptation Plan, Rural Diffuse Pollution Plan, Scottish Soil Framework and the Scottish Biodiversity Strategy.

For **Article 31 - Natura & WFD**, where payments could potentially enable Scottish Government to require land managers to comply with obligations under Natura and the Water Framework Directive, thought would need to be given to where/when this type of intervention is desirable and necessary. If used, the intended purpose and scope of measures under this article should be very clearly defined from the outset and should be operated closely in conjunction with Article 29. We would like to see Scottish Government explore the potential benefits of this article and where/how it might be used to generate significant land use change in order to meet the requirements of European Directives.

Scottish Environment LINK is in principle broadly supportive of **Article 32 – Payments to Areas of Natural Constraint (ANC)**, not least because it should in theory offer additional basic income support to marginal and economically vulnerable High Nature Value farming and crofting systems. However, LINK has long had concerns over the value for money of the Less Favoured Area Support Scheme (LFASS) and still sees it as a blunt instrument, out of place in Pillar 2.

Any new ANC scheme offers limited scope for improvement, beyond offering the opportunity to revisit the basis for payment of the existing scheme and using the article for its correct purpose i.e. to offer the greatest levels of support to areas facing greatest levels of natural constraint. Therefore, LINK remains very concerned that, as per the current SRDP, this article will unhelpfully soak up a significant proportion of the already limited budget, delivering limited demonstrable benefit. **Given budgetary constraints across the whole programme, we believe the Scottish Government will need to look closely at the level of funding for a new ANC scheme and potentially reduce it.** Any desire to maintain spending levels adds even greater weight to argument in favour of maximum modulations from Pillar 1 to Pillar 2. We understand that decisions on ANC will be delayed until 2015/2016 and that the Scottish Government will continue to support LFASS payments to then, despite our concerns with the existing scheme.

LINK has significant concerns about the use of public money on activities that do not offer additional benefit to the tax payer or essentially commercial problems, solutions to which are potentially available through the market. In particular, we draw attention to the dead weight (as identified in the mid term evaluation) associated with measures such as membership of quality assurance schemes, and the fundamentally commercial nature of some of the new articles in the draft Rural Development Regulations such as article 37 – risk management; article 38 – insurance; and article 40 – income stabilisation. It is the view of Scottish Environment LINK that these types of measures offer extremely poor value for public investment but have the potential to soak up large amounts of a limited budget, and therefore should **not** be used.

**Question 4:** *Do you agree or disagree that we should geographically target our investment to areas where support will make the greatest contribution to our priorities?*

*Please explain your views.*

We agree. LINK welcomes this suggestion as a notable shift away from an 'open to everyone, let the applicant decide' approach that has been prevalent previously. There is a sensible logic to geographical targeting for some priorities, and with limited funds available we believe it will be essential for justifying and ensuring best value for public money from the next SRDP. Targeting, in its more general sense, should apply to all measures in the next SRDP, not just those with a spatial element.

We believe there is scope to develop much more comprehensive geographic targeting in the next programme than was done for the current programme, using mapping approaches (including for example data sets such as the Breeding Birds Atlas, Pastmap, [Historic Land Use Assessment](#), Landscape Character

Assessments, SNHs Natural Heritage Futures prospectuses and the developing National Ecological Network). We also highlight the relevance of documents and exercises such as the pilot Regional Land Use Frameworks and the National Park Plans, to the development of geographic targeting. These are indicative of how it can be done at a regional level, drawing all issues and objectives for an area together and, in theory, making decisions accordingly, as per the principles of the Land Use Strategy. LINK would like to see this approach adopted more widely.

The data on which geographic targeting is based however will inevitably be variable in scale, quality and completeness across priorities, and this must be acknowledged and accounted for when developing the spatial targeting approach/tool. That is, geographic targeting will only ever be as good and reliable as the data on which it is based. Scottish Environment LINK suggests, in lieu of regional plans, the Higher Level Scheme type of approach to spatial targeting, adopted in England, is a good compromise between practicality/pragmatism and complete objectivity. That is, it makes the best of the data available to identify priority areas but does not rely entirely on the spatial targeting tool to identify to holding level the priorities and options relevant to any given application, and maintains some flexibility about qualification for the scheme beyond identified lines on maps. LINK believes that flexibility in geographic targeting approaches is important given that differing approaches maybe required for differing priorities. It might be that a Glastir approach, which is much more comprehensive (GIS mapping to 1km squares) is more desirable and ultimately objective, making prioritisation of applications for competitive schemes easier. But we suggest, particularly given the data issues we have in Scotland, that this might be aspired to overtime as data quality and availability improve rather than seen as a practical option for the next programme.

Scottish Environment LINK believes that the development of effective geographic targeting will require high levels of stakeholder engagement – not lest because stakeholders may hold some of the data required for it. LINK and individual member organisations will be happy to assist Scottish Government and its agencies in producing a list of priorities and priority areas where action is most urgently required. **If Scottish Government proceeds with a geographic targeting approach, which we think it should, we hope to hear something on its development in due course.**

We would finish by saying that Scottish Environment LINK sees geographic targeting as part of a package of targeting tools, all of which should be given due attention. The range of tools as we see it includes, setting clearly defined and differentiated national and regional priorities; ensuring *all* measures, across all SRDP priorities, warrant public investment by delivering public benefits and requiring action over and above the regulatory baseline; making notional

financial allocations by region or priority, based on objective criteria; identifying particularly important areas for national and regional priorities; incentivising/requiring whole farm plans, which assess need/ability to deliver against the full range of regional priorities, help target options at the holding level and help land managers see environmental goals as part of their core business; maintaining notional 'packages' i.e. guidance towards the types of options that in combination will better deliver the desired outcomes; improving advisory services, in order to encourage entry in priority areas, to help target options at the holding level and help land managers to understand the importance of environmental goals; and improving the Local Action Groups by ensuring a greater range of stakeholder representation and so improving their impact on targeting of LEADER, amongst other funds. Many of these approaches we are very pleased to see reference to throughout this consultation document.

**Question 5:** *Do you agree or disagree that support for small local businesses should be provided through LEADER?*

*Please explain your views.*

We agree, providing that LEADER is adequately resourced (not only from SRDP but from the other European funds as well) so that funds for other more community-based projects are not disadvantaged. Scottish Environment LINK thinks there is an advantage here in helping to stop the distinction between farm and other rural business. The relationship and cross-over between funding small and medium/large enterprises needs to be clearly spelt out however.

In principle we support this proposal but, as is a common comment on LEADER, we feel it is important that LAGs seek enough wider voluntary and community help and involvement in the decision making process. This should help ensure that the decisions made are assessed more widely than on economic determinants alone. LEADER has a major role beyond economic outputs that might be addressed by other CSF funding streams and we were therefore disappointed that the outcomes of the previous stakeholder working group appeared to focus on the economic growth potential of LEADER. The group report largely ignored the well-being and place making roll LEADER has and the centrality of environmental concerns and opportunities to this. LEADER is important in bringing rural communities beyond farmers into the SRDP and it is important to emphasise that its successes can be environmental and social, providing rural cohesion and achieving national targets beyond a simplistic environmental agenda. Indeed, LEADER has been fundamental in the past for providing funding for the facilitation and coordination activity that is so necessary for landscape scale/ecosystem approaches. However, the current LEADER programme has been riddled with bureaucratic problems that threaten to undermine its ability to deliver and put people off even applying. This must be addressed in the next programme.

**Question 6:** *Do you agree or disagree to the proposal to disband RPACs and replace with a more streamlined assessment process as explained in Section 8? Please explain your views.*

Scottish Environment LINK is seeking a simple process that does not lose sight of the need to ensure quality agreements. We think the regionalisation and integration in the current RP scheme was a step in the right direction and would wish to see this enhanced and improved in the next programme, rather than abandoned altogether. However, this does not mean we either agree or disagree with the disbanding of RPACs. We do think there is a need for some sort of regional oversight but this function could be transferred to another body such as a regional PMC if it was set up.

Scottish Environment LINK recognises that there have been flaws in the current RPAC system and its added value can legitimately be questioned. We suggest however that this is in a large part due to how the RPACs were set up, the resources and remit they were provided with. We think that RPACs had, or had the potential to have had they been set up correctly, more than a straight forward assessment role that will be missed if they are disbanded completely and not replaced by some regional oversight group. Without an RPAC or another oversight group, there will be no forum for sharing expertise and facilitating learning across sectors, which is one of the notable successes of the current RPAC system.

**Question 7:** *Do you agree or disagree that LMOs should be removed from the future programme, given the spending restrictions we are likely to face and the need to ensure maximum value from our spending? Please explain your views.*

Scottish Environment LINK thinks that the current list of LMOs in its entirety and scheme structure as it stands does not deliver good public value for the expenditure involved. There are issues of targeting, monitoring and evaluation, application of UK Forestry Standard, and the Mid Term Evaluation identified high levels of dead weight in some LMOs in particular, for example Membership of Quality Assurance Schemes. However, LINK also sees a clear need for some widely accessible options designed to, for example, help maintain and enhance the scenic quality and cultural richness of Scotland's landscapes, produce over winter bird feed, and support maintenance of organic farming. There are questions over how best to deliver this and whether the benefits of an open to all scheme outweigh the benefits of channelling all funds through a competitive process. Different LINK organisations take different views on this that they will present in their own consultation responses.

What is clear is that some level of targeting and monitoring and evaluation should be employed across all levels of any new schemes and that there needs to be an evidence based prioritisation process. As indicated in answer to question 4, LINK suggests there is already a wealth of information in existence to help in this process, for example in Natural Heritage Futures, Landscape Character Assessments, biodiversity data including the Breeding Birds Atlas and the Historic Land Use Assessment, and would like to see this drawn on. As also expressed in answer to Question 4, LINK sees exercises like the pilot Regional Land Use Frameworks as crucial in identifying just what we should be looking for in different parts of the country and the measures that will be most appropriate to incentivise them. Furthermore, LINK thinks there is great potential, which should be exploited, to absorb some of the wider countryside measures necessary into better enforced cross compliance and well conceived implementation of the Pillar 1 greening requirements. This would go some way to ensuring all land managers in Scotland contribute to environmental goals, and maintain and enhance the quality of Scotland's countryside as a source of the full range of ecosystem services that contribute so much to people's quality of life and to the country's attractiveness as a place to visit and do business.

**Question 8:** *Do you agree or disagree that the Forestry Challenge Funds be discontinued with WIAT being funded through Rural Priorities and F4P funding being provided via LEADER?*

*Please explain your views.*

LINK values the support of creating and managing multi-purpose woodlands, in a sustainable manner, close to rural as well as urban communities. If such targeted support for woodlands in and around towns, and for social benefits, were to move to Leader and RP LINK considers that it would be important for this work to be done in a sustainable manner, for a range of public benefits.

This means considering the scope for creating and managing habitats for priority wildlife (not just general 'greening up'), protecting and enhancing the historic environment and landscape, offering enhanced recreational opportunities, encouraging environmental education/interpretation, as well as land reclamation, water management and environmentally sustainable approaches to associated economic development and activities.

By way of commentary, we understand that these challenge funds have worked and delivered both creative, innovative projects and much needed funding simply to get existing areas of woodland into good management for a range of purposes. There is something to be said for the open nature of challenge funds and the opportunities they offer but we recognise that from an applicant perspective they can be seen as quite complex to enter. We recognise that in theory, delivery of F4P via LEADER should not limit the opportunities for creative project design that currently exist, and delivery of WIAT via RP may in fact make

accessing funds for standard woodland management easier, so there is some logic to this approach.

**Question 9:** *Do you agree or disagree that Food and Drink grants be decided via the wider decision-making process for business development applications or should they remain separate and managed within the Scottish Government as is the current practice?*

*Please explain your views.*

LINK has significant concerns about moving Food and Drink grants into the wider decision-making process for business development applications. Food is not just an economic/business activity but one which cuts across all areas including the environment, local enterprise, health and public justice and we would be extremely concerned to see the assessment for such projects restricted to economic criteria. Where these grants are currently processed, within Scottish Government, the assessment process is based on sustainability criteria (contribution to healthy eating, the environment, organic production, local jobs etc). Projects must also demonstrate measurable outcomes in terms of increasing volume, using local suppliers, safeguarding/creating jobs etc. and food quality assurance schemes including organic and LEAF. We would be worried that this holistic approach to assessment and project outcomes would be lost if the grants were subsumed into the business development stream of main stream SRDP. We do support the principle of integrating decision making through a single rural development strategy with the implications of targets in one sector being assessed in another through strategic environmental assessment – if we had the confidence the approach taken to this would work.

**Question 10:** *Do you agree or disagree with crofting stakeholders that a Crofting Support Scheme is established in the new programme that will fund all grants relevant to crofting?*

*Please explain your views.*

We do not have a strong view on the establishment of a crofting specific scheme/sub programme but Scottish Environment LINK sees a clear problem in the existing SRDP with access to funds for crofters *and* small units generally.

If a separate approach is taken it will need to look holistically at crofting systems, and ensure support does not continue trends towards a **disconnect between the enclosed and hill land** and addresses issues such as **loss of skills and labour** in crofting areas and **good management of common grazings. Collaborative approaches** would need to be a key part of scheme function/delivery and we suggest this may need to be generated proactively.

Although not asked about it explicitly here, Scottish Environment LINK would like to raise concerns about use of the small farmer scheme and the potential this has to exempt crofters from cross compliance requirements, and the derogation being discussed on minimum activity for small claims. Both of these issues relate to Pillar 1 but demonstrate that whilst we recognise the need to reduce administrative burden for the most marginal businesses, **we do not see reducing compliance with environmental regulation as an acceptable part of this. We do not think crofting units by dint of being crofting units alone warrant public financial support.** It is the systems operated on these units that deliver the public goods we are interested in. We think the allocation of funds to these areas without any requirements or targeting is most likely to be detrimental to the public goods value of these areas.

**Question 11:** *If a Crofting Support Scheme is developed, do you agree or disagree that crofters (and potentially small landholders) be restricted from applying for other SRDP schemes which offer similar support?  
Please explain your views.*

We believe the more relevant question here would be 'what should be in any crofting specific support scheme'. If Government gets this right, as it should be seeking to do, it negates the need for crofters to apply to both schemes, therefore making the above question redundant.

There are currently some options within the main RP scheme that might be considered more relevant to crofting areas such as small unit management and retention of cattle on small unit management. It would be tempting to single these options out to put together with the existing CCAGS measures and call this a crofting scheme. However, we think it is essential, in the interests of delivering on priorities for these areas, that these should not be the *only* options available in any crofting specific approach. Neither can these options be *restricted* to any crofting specific approach. Rather, any crofting specific scheme must include *all* relevant agri-environment options, as well as options for the simplified small units type of approach. These options will not be exclusively for, or unique to, the crofting approach, and therefore must also be available to land managers that are not crofters.

This may appear to be duplication but we believe the added value that might be gained in a crofting specific approach if it is developed isn't entirely in the options that are available (although it offers the opportunity to tailor options to the crofting situation and so make them a better fit), it's in the securing of funds to these areas, the integrated, holistic approach that can be taken and the opportunity to tailor scheme information and delivery and advisory systems to crofting specific needs, thereby increasing the likely effectiveness.

**Question 12:** *Do you agree or disagree on whether support for crofting should extend to small land holders of like economic status who are situated within crofting counties?*

*Please explain your views.*

As with the crofting question in general, Scottish Environment LINK has no firm view on how/where small units are dealt with but we believe there are the *same* access to scheme difficulties currently facing *all* small units as crofts, and therefore this needs to be addressed.

We note that small units are not restricted to the crofting counties. Should a crofting specific approach be secured then, whether or not it provides for small units within the counties, we would still wish to see provision in the main scheme for small units, by using, for example, appropriate financial thresholds to the 'level 1' application process – being set low enough to favour small applications.

**Question 13:** *Do you agree or disagree with the proposed replacement of the Skills Development Scheme with an Innovation Challenge Fund?*

*Please explain your views.*

We agree that there is some merit in replacing the Skills Development Scheme with an Innovation Challenge Fund as this broadens the scope of what can be funded, inviting imaginative projects to come forward. If this new scheme is developed, we would wish to see a strand specifically for environmental innovation projects with a fair budget allocated to it. The rest of the fund should operate a no environmental harm screening process and rates of support should account for the private versus public benefit balance of any proposed projects. As we understand it, any funds generated as a result of capping Pillar 1 payments could go into this fund, thereby bolstering the monies available.

**Question 14:** *Do you agree or disagree with the measures proposed by the New Entrant Panel (paragraph 92) to encourage new entrants to farming?*

*Please explain your views.*

LINK recognises there is a problem over the aging profile of Scottish farmers and that there is a need to encourage new entrants who are often more innovative and responsive to economic and environmental changes. However we are not convinced that exclusive start-up grants of 70,000 euros are necessarily appropriate when land prices are at an all-time high.

The issue for new entrants is more about establishing appropriate mechanisms to enable them to gain Pillar 1 payments and though we are sympathetic to proposals that this should not be limited to new entrants only under 40, we understand the constraints here are from European legislation. The New Entrants Panels proposals are mostly appropriate and sensible but as we suggest elsewhere, we believe business support measures should come largely through structural funding and not the SRDP which should be focused primarily on public benefit.

**Question 15:** *Do you agree or disagree with the proposed case officer approach to the assessment of applications?*

*Please explain your views.*

Scottish Environment LINK has some concerns with the proposed case officer system and do not see it as an improvement on the current situation. We would like to see a schematic flow type diagram of the process so that we can understand fully what is being proposed, how it will operate, and importantly how it will interact with a geographic targeting system, whole farm plans/mapping and advisory support.

For LINK to be convinced that the process outlined will be as robust as the current system we would need assurances that there will be heavy investment in recruitment and training of 'gate keepers' and case officers, and in an expert advisory support - the use of which must be embedded into the application/assessment process. This would ensure the gate-keepers and case officers have the time and expertise to make more qualitative judgements about an application, backed up by expert opinion (which should be based on first hand knowledge of the holding in question). This approach would keep the 'agreement development' and 'assessment' processes separate but would ensure decisions were being made by people with some level of understanding who are informed by experts, and so allowing a greater focus on the quality of the agreement and likely outcomes rather than crude assessment criteria. Scottish Environment LINK also believes that if the environmental and other priorities of the scheme are more robustly defined in the case of verifiable need through statutory agencies like SNH, SEPA and Historic Scotland at the outset, and a spatial targeting tool is developed then this will help make the assessment process outlined more workable. At the current time however, none of this is guaranteed, making the proposals inherently risky.

There are outstanding questions about the assessment itself and what this will entail. Scottish Environment LINK, as indicated above, would prefer to move away from a paper based tick box assessment by someone with limited expertise and no site specific knowledge, and the points chasing (over quality of agreement) that this generates. However, we may be significantly more

comfortable with a rigid, points based system under the current proposals, where it seems there is a high risk the gate-keepers and case officers don't have the expertise or information to make a more qualitative assessment.

We are also concerned that it appears that even where the case officer network is employed, and a range of case officer consulted, this is only done remotely – i.e. the case officers in question will not meet to discuss the application with the gate-keeper, rather it will pass over their desk for comment. We do not think this is a robust way to deal with applications, leaving the final decision to someone who can take on board or not the comments of the case officers, and assuming single objective applications don't need examination by a range of expertise to ensure they are providing maximum value for investment or not conflicting with other objectives in the region. Again, we highlight the importance of bringing people together from across different disciplines and the loss of this in the proposed process.

There is still no mention of case officers or gate-keepers actually carrying out site visits. A major problem in the existing system is the lack of a site visit by the case officer who is then responsible for assessing the quality of an application without having seen the site, the field/areas options are proposed on or what is over the fence on neighbouring land that might have an impact on the likely effectiveness of the proposals. Although we acknowledge that a site visit for every application would be difficult to resource, even in times of plenty, we believe it is an important part of the process, hence we suggest that the site visit and indeed application development help could be carried out by the advisory service instead of the case officer or gate-keeper. For this to work though it must become a fully functioning part of the application/assessment process.

Scottish Environment LINK would like to see National Park Authorities given the remit of administering the whole programme within their territories on a pilot basis, using their park plans as their guide and all the resources that they have at their disposal to advise and facilitate. We think they have the potential to show the way forward for integrated programmes of this kind and this approach fits with the ambitions of the Land Use Strategy.

**Question 16:** *Do you agree or disagree with the proposed single entry route for applications with a two level assessment process?*

*Please explain your views.*

We agree in principle with a single entry, split level assessment process. Taking our concerns about the level 1 process as outlined above as read, what will be critical is where the financial threshold between levels is set. Scottish Environment LINK is very supportive of a 'level 1' simplified application process

primarily aimed at small applications, especially if LMOs are disbanded. We will be very concerned however if the 'level 1' threshold is set at too high a financial value, effectively making the level 1 process the main assessment route. We understand the Scottish Government has been undertaking work to assess what an appropriate threshold might be and we wish to see the results of this work before taking a firm view, but anticipate that a value of around £10,000 per annum will be the right level – taking in the majority of croft and small unit applications.

Scottish Environment LINK is also very supportive of a regional approach to the new scheme and therefore suggests that national is the wrong level for the level 2 assessment. We would argue that people at a national level are much less likely to have the place knowledge necessary to know if the investment makes sense or not. We suggest it would be more sensible for the level 2 assessment to remain within the region.

**Question 17:** *Do you agree or disagree with the proposed negotiation of variable intervention rates rather than setting fixed intervention rates?  
Please explain your views.*

We agree with the principle of variable intervention rates for investments that drive a potential profit or business benefit. Given that the SRDP has a limited budget we think it should primarily be targeted towards investments that support delivery of public goods, however we recognise that there are investments that are valuable that have some private as well as public benefit and that not everyone has the same ability to pay. Indeed, this is not restricted to investments in jobs and infrastructure. Some environmental measures such as climate mitigation and water quality interventions for example have a higher level of private benefit (i.e. reducing nutrient application and so cost) than say landscape or biodiversity measures, and different land managers have different levels of leverage they might be able to offer against the public support offered. This does not mean these measures are not worth investing in but it does suggest that they should have lower intervention rates than the 'purer' public good investments. Therefore, if Scottish Government is able to find a workable approach to variable intervention rates, based on level of public versus private benefit and ability to pay, particularly for infrastructure and business competitiveness type measures, LINK would welcome this.

**Question 18:** *Do you agree or disagree with the proposed setting of regional budgets across Rural Development Regulation (RDR) articles?  
Please explain your views.*

We strongly agree with the proposal to set budgets across the articles and divide this into regional indicative budgets, based on an evidence based assessment of what is required. We agree that this will help deliver the programme in a more focused and strategic fashion and will also help monitoring of spend, allowing some assessment of whether or not the programme is delivering as intended within the lifetime of the programme.

Scottish Environment LINK believes that allocation of budgets in this way will require the setting of regional priorities, and to be of use will require real time feedback to a regional oversight group of the committed spend in the region against these budget lines. We are happy to see regional budgets being indicative only with control maintained centrally, but suggest a regional PMC should have oversight of the budget and be remitted to respond by for example encouraging entry under different articles and priorities as and when required. We are pleased to see mention of evidence based allocation of indicative regional budgets and would like to see an evidence based approach also taken to the allocation of funds across articles. That is, budgets should be allocated based on need and the cost of delivery, not on a historic or preference basis.

**Question 19:** *What support and assistance do you think applicants will need for this application process to work effectively?*

*Please explain your views.*

As indicated in previous questions we think applicants will need a much more effective advisory service and access to adequate environmental information for the approaches outlined to work. The development of a GIS based spatial targeting tool, that will help guide applicants to the relevant priorities and options for their area (and potentially holding as the tool is developed) will be a big help in this. We suggest that in terms of provision of environmental data, SEWeb is good start but for the historic environment mapping the Scottish Government should commit to producing a polygonised GIS database for the whole country – this has been developed under the Defining Scotland's Places project and forms part of Scottish Government's developing Archaeology Strategy. This approach could be expanded to other environmental objectives and our answer to Question for outlines other sources of data and information that we think can be drawn on in this process.

In terms of an advisory service, there are several different layers to this. Advice, or rather guidance and support, will be required to help applicants understand the new scheme, application and assessment processes. This need not be delivered face to face but could be web and paper based. There is also a need for specialist, face to face advice, agreement development, and support in scheme implementation (i.e. an after care system). This is much more intensive, requires well trained people on the ground and should in some places/for some

priorities, be a mandatory part of the process, embedded into the application and assessment process. This is particularly true if simplified options are introduced. Only with this level of support will you end up with quality agreements that will deliver outcomes. Ideally, LINK would see advice as a mandatory part of every application, particularly given the approach to assessment that has been outlined in this consultation, but recognise the resource implications of this and therefore suggest there may be a way to focus the advisory services - to key areas or key priorities. Environmental accreditation of advisers may be required and this environmental accreditation should not just be restricted to biodiversity but include landscape, heritage and water pollution expertise. We believe better use could be made of NGOs with specialist in house knowledge, formalising the contribution to the process that they can make, and which has been so valuable in the current programme. In short, Scottish Environment LINK is supportive of the findings of and approach outlined by the Advisory stakeholder working group that met in 2012.

**Question 20:** *Do you agree or disagree with the value of developing a descriptive map of holdings to help farmers and stakeholders understand the potential ecosystem value of specific holdings?*

*Please explain your views*

We strongly agree that there is value in developing holding level descriptive maps. We believe that, if implemented in a meaningful way, this could be beneficial to land managers by making them recognise their responsibilities under cross compliance, it could help with best implementation of any greening measures that come through for Pillar 1, and it would also encourage opportunities to improve the ecosystem value and "connectivity" of their land, justifying the expenditure of public money. It would improve the holding level targeting of any new RP scheme and would hugely improve the robustness of the outlined assessment process - giving 'gate-keepers' and case officers an understanding of which scheme priorities apply on any given holding and so what is possible, against which to compare what has been proposed.

We see this as a fundamental step forward for better environmental compliance and enhancement in accord with Scottish Government objectives. It may be appropriate to financially assist in the production of these maps, particularly in key target areas (as identified in the spatial targeting) as this would indicate to land managers that they are being encouraged to enter the scheme. Care would need to be taken to ensure that the maps remain meaningful and do not quickly reduce to the lowest common denominator, becoming just another cost to the land manager and bureaucratic process to go through.

We suggest, given the importance of mapping to the effective implementation of a wide range of requirements and funds across the whole of CAP and beyond,

that Scottish Government set a target of having complete accessible environmental mapping of all rural Scotland by 2019. This would be consistent with achieving complete area-based Basic Farm Payments by 2019. Much of this might be done through existing and planned GIS systems and Scottish Government should continue to dedicate resources to achieve full national coverage, consistent with *One Scotland, One Geography* and the *INSPIRE* Directive, as a national and CAP priority.

**Question 21:** *Do you agree or disagree with the proposal to allow applicants to submit single applications which set out all investments/projects that the applicant would like to take forward on their land?*

*Please explain your views.*

We strongly agree with the proposal to allow single integrated applications and in fact think they should be encouraged and facilitated – generating a culture of viewing holdings in the round and embedding environmental objectives in to normal business planning and in keeping with the principles of the Land Use Strategy.

Integrated applications develop more coherent planning and allow the added value and multiple benefits that can be achieved by looking at a holding in the round that LINK thinks is so important. However, this should not lead to the downgrading or exclusion of stand-alone projects that are supported by priority need – that is, integrated applications should not automatically be assumed to be ‘better’ than single objective applications. It also should not lead to the wasting of limited financial resources on non-priority actions just because they are part of an integrated application, the application should still be demonstrating fit with priorities and quality, as any other. Therefore for this approach to work, we suggest that it will be necessary to have the ability to remove inappropriate/non-priority options, without failing the whole application.

**Question 22:** *Do you agree or disagree that it would be helpful to allow third party applications for specific landscape scale projects?*

*Please explain your views.*

We strongly agree that it would be beneficial to allow third-party applications for some landscape-scale projects. This would be particularly beneficial for measures undertaken that are primarily for public benefit but require actions over more than one property such as peatland restoration or natural flood management. Whilst it is preferable that land managers should have ownership of actions undertaken on their land, this should not be a constraint from undertaking appropriate beneficial management for this wider public benefit. In our experience, a third party is often required to co-ordinate/facilitate landscape

scale approaches and therefore it makes reasonable sense for them to also be able to submit an application on behalf of the group as long as there is a clear process for allocating funds to individuals and ensuring work is done.

An additional element to this might be the development of collaboration specific options. Facilitation of collaborative action for a range of environmental purposes may require options to be written to meet the following RDR Articles: additional collaborative management/project planning under Article 36(2j) and collaborative approaches under 36(2a, 2c & 2e); advisory services under proposed Article 16 and individual forest plans under proposed Article 22; as well as Natura 2000 payments (Article 31). These new 'collaboration specific' options would allow land managers an obvious route into collaborative agreements and an easily discernible financial reward for doing so. There would still be a need for coordination of applications going into these options however so this would work in conjunction with the proposal here for third parties to submit applications.

**Question 23:** *Do you agree or disagree with public agencies working together to identify priority areas that could benefit from a co-ordinated third party application?*

*Please explain your views.*

We strongly agree that it would be beneficial for public agencies to work together to identify priority areas, having first identified priority objectives for co-ordinated applications. It may also be appropriate to call in relevant expertise from external bodies where relevant and LINK believes that external stakeholders may be able to assist public bodies in agreeing national and regional priorities and areas where they become relevant on the ground. Priority areas or objectives for co-ordinated action could remain flexible throughout the lifetime of the programme, potentially applying a cap to spending on individual areas/objectives if appropriate.

**Question 24:** *Do you agree or disagree with the establishment of a separate fund to support collective action at the landscape scale?*

*Please explain your views.*

LINK agrees with the establishment of a separate fund to support collective action at the landscape scale. The use of project officers or other facilitators is often essential for successful landscape scale action and therefore the provision of a fund that could support these posts would be extremely helpful. We question however whether it can be effectively administered under the standard assessment process as outlined. We suggest instead this fund could function in a

similar way to a challenge fund and be overseen/managed at the local level by the regional PMC.

Given the poor take-up of collaborative approaches in previous RDPs, having a fund dedicated to landscape-scale approaches is likely to encourage action. This will be aided by clear targeting of areas and priorities for action. These priorities should be clearly defined at the outset of the scheme but should remain adaptable as the scheme progresses and funds against different priorities are drawn down. Funded projects must, however, be for more effective and targeted delivery of public benefits. Collaboration must not be a goal in itself.

**Question 25:** *Do you agree or disagree with broadening the Whole Farm Review Scheme to include biodiversity, environment, forestry, water pollution control and waste management?*

*Please explain your views.*

We strongly agree with broadening the scope of the Whole Farm Review Scheme to cover the environment in the widest sense, including recording and managing landscape, heritage and public access to land. This could be linked to providing all farm units with a comprehensive farm environment record/map as outlined above. An environmental assessment should be the basis of any application under the SRDP and we would like to see the Scottish Government developing an agricultural equivalent to the UK Forestry Standard for all farmland in receipt of public grant, and indeed ensure UK Forestry Standard is a requirement for all woodland planting and management grants, including small woods on farms. Having a target for a comprehensive Whole Farm Review Scheme for all farm units by 2020 is achievable and would be consistent with Scottish Government and EU objectives under the SRDP.

We would recommend that the Scottish Government start developing resources and training programmes now for advisers likely to be carrying out these Reviews so that areas of expertise can be developed in advance of the programme launching in 2014/15.

**Question 26:** *Do you agree or disagree that we allocate SRDP budget to advice provision when we move to the next programme?*

*Please explain your views.*

We strongly agree that increased resources be devoted from within the SRDP budget to develop advice provision and this has been a theme running through our consultation response. It is widely agreed by SRDP stakeholders, and demonstrated particularly in agri-environment literature, that good advisory services can improve the delivery of desired outcomes. Therefore investment in

advisory services from the SRDP budget is an effective way of maximising value for money from the programme and making it more likely that Scottish Government targets and priorities are met. Investing in advisory services is still contributing to the rural economy, as farm advisers are generally rural-based, themselves supporting local services in the local communities in which they work. We therefore are entirely comfortable with an advisory service requiring significant investment. We suggest to Scottish Government that in the context of the whole programme (around £1.5 billion), substantial investment in advisory services (with some estimates around £20 million per annum) is appropriate. Indeed, the annual amount spent on LFASS, with its single objective and limited proven outcomes, exceeds this by over three times but is not questioned. The need for investment in advice, again supports the argument for maximum modulation from Pillar 1 to Pillar 2.

**Question 27:** *What are your views on the merits of providing loans for specific purposes and/or specific sectors?*

*Please explain your views.*

We believe this would certainly be helpful in developing projects where there is an initial capital cost for community or other groups. Very often such groups do not have the resources to pay up front for activities and a loan would be a good alternative to the project not going ahead. Another area where it could be used more widely would be in the business competitive and rural economy measures i.e. those investments that drive a potential profit or business benefit that Scottish Government is also considering the use of variable grant rates for.

**Question 28:** *Do you agree or disagree with the proposal to maintain the current level of transfer from Direct Payments to SRDP in the new programme period?*

*Please explain your views.*

We wish to see modulation of funds from Pillar 1 to Pillar 2 to the maximum level allowed under the new regulations. We disagree with maintaining the current level of transfer from Pillar 1 to the SRDP and find the figures presented in the consultation document to be misleading – suggesting without proper consideration that Scottish Government is already modulating at a rate of around 14% when current rates are in fact far below this.

Scottish Environment LINK believes that the Scottish Government should increase its commitment and transfer the maximum possible funds (currently looking like 15%) from Pillar 1 to the SRDP. SRDP Pillar 2 payments offer better value for money to the public purse than Pillar 1 Direct payments, have the potential to deliver real environmental, community and rural economy benefits

and are currently stretched far too far. Applying the basic principle of public money for public goods, as we believe Scottish Government should, makes it a clear course of action to transfer funds to the maximum level possible from Pillar 1 to Pillar 2.

**Question 29:** *Please tell us about any potential impacts, either positive or negative; you feel the proposals in this consultation document may have on any of the equalities characteristics listed in paragraph 136.*

Heavy reliance on web-based targeting tools, application processes and advisory materials inevitably disadvantages land managers without either broadband access or computer skills. This must be considered and addressed in programme design and implementation.

**This response is submitted by the Agricultural Task Force and is supported by:**

- RSPB Scotland
- Scottish Wildlife Trust
- Archaeology Scotland
- Ramblers Scotland
- Woodland Trust Scotland
- Plantlife
- Buglife
- Association for the Protection of Rural Scotland
- National Trust Scotland
- Butterfly Conservation Scotland
- Bumblebee Conservation Trust
- Scottish Campaign for National Parks

**For more information, please contact:**

Amy Corrigan (LINK Agricultural Taskforce Vice Convenor)  
RSPB Scotland, 2 Lochside View, Edinburgh Park, EH12 9DH  
Email: [amy.corrigan@rspb.org.uk](mailto:amy.corrigan@rspb.org.uk) Tel: 0131 317 4146

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