

Rural Development Programme for Scotland 2007-2013 Response by LINK Agriculture Taskforce June 2006

Scottish Environment LINK (LINK) is the umbrella forum for Scotland's voluntary organisations working together to care for and improve Scotland's heritage for people and nature. Its member bodies have interests spanning nature conservation, recreation, landscape and archaeology.

LINK member organisations have around 500 000 members across Scotland and have much expertise in agricultural land management. Member bodies farm over 70 000 ha for biodiversity, landscape and rural development objectives directly, and through payment to farmers and crofters. We also work for agriculture and the wider environment by providing advice to land managers, promoting education to schools and colleges, undertaking policy research that places agriculture in the context of sustainable development, and developing dialogue between stakeholders.

Scottish Environment LINK's Agriculture Taskforce (ATF) welcomes the opportunity to respond to this consultation, and the following members support this statement:

- RSPB Scotland
- WWF Scotland
- Council for Scottish Archaeology
- Soil Association Scotland
- Ramblers Association
- John Muir Trust
- Scottish Wildlife Trust
- National Trust for Scotland

Summary

- The SRDP is the key vehicle to deliver the Scottish Executive's commitments on a raft of environmental requirements and objectives. These include the Gotheberg agreement to halt biodiversity loss by 2010; the objectives of the Water Framework Directive; Natura 2000; European Union forest policy; commitments under the Kyoto protocol on climate change; the European Landscape Convention; the European Organic Action Plan and national strategic objectives encompassed by the Scottish Biodiversity Strategy, the Sustainable Development Strategy, the Organic Action Plan, The Land Reform (Scotland) Act 2003, Ancient Monuments & Archaeological Areas Act 1979, The Scottish Outdoor Access Code and the SE Physical Activity Strategy. SRDP measures that contribute to these objectives must be prioritised.
- The SRDP as a whole, as well as the measures contained within it, must be consistent with the Scottish Executive's objectives for sustainable development, set out in the Sustainable Development Strategy. However, the interpretation of sustainability outlined in paragraph 10 of the consultation is weak, in only seeking to "avoid net damage" to the environment. The SRDP must seek to go beyond this 'minimum standard' approach and present an integrated programme where measures benefit each of the three cross-cutting elements of sustainable development.
- The delivery of the SRDP represents a key function of the Scottish Executive and as such must comply with the Nature Conservation (Scotland) Act 2004 and further the conservation of biodiversity.
- **LINK ATF is extremely concerned at the prospect of very limited funding for the SRDP**, especially in the early years of the new programme period. There are two clear implications of this. The first is that best possible use of available public funding must be achieved. The second is that increased funding must be found if there is a shortfall in SRDP funding that means environmental objectives cannot be fully met. This should be done through increased domestic

funding, or through an increase in additional voluntary modulation. In order to achieve the best use of the available funding, the following must be addressed:

- Consideration must be given to the public benefit delivered by all three tiers of LMCs, including Tier 1, which currently only protects against deterioration and damage, through the mechanism of cross-compliance and, specifically, GAEC. LMCs could deliver far more for the environment and other public benefits, if there was a re-assessment of baseline GAEC requirements, and how they constitute best practice. We call for a review of GAEC in light of the launch of the three tier LMC model.
- LFASS, likely to encompass the majority share of the SRDP budget, and particularly because it sits within Axes 2 of the EARDP, must demonstrate delivery of environmental and other public benefit.
- A 'public goods test' must be applied to prioritise measures for inclusion in the SRDP. Those measures whose outcomes are not primarily public, but private or sectoral benefits, should not be included.
- Measures that deliver multiple outcomes should be prioritised, as they deliver the best value for public funding.
- Planned outcomes for all SRDP measures are vital. The best value for public money can only be achieved through incorporating appropriate levels of planning to deliver the desired outcomes. LINK ATF supports plans for all tiers of Land Management Contracts.
- Regional and local priorities must be built into the structure of LMCs, in order to target public funds, but not at the expense of national priorities.
- Landscape or catchment scale and collaborative approaches should be encouraged, as these will make a greater contribution to the objectives of sustainable development, and help achieve the range of SEERAD environmental objectives.

This response has been structured in four sections, in line with the Scottish Executive's consultation document: Less Favoured Areas Support Scheme; Land Management Contracts; LEADER; and Implementation.

Less Favoured Areas Support Scheme (LFASS)

Do you agree with the "historic payments" system proposed for LFAs?

1. No. LINK ATF absolutely opposes the "historic payments" system proposed for LFASS in the consultation document. The proposals represent a significant retrograde step for the environment, especially through the removal of existing requirements to keep specified proportions of cattle in return for higher payments.

2. Ideally, a full review of LFASS should be carried out, to re-assess its purpose, distribution, scope and outcomes, in order that its primary purpose is the delivery of environmental and other public benefit. However, it is recognised that this may not be administratively feasible at present, that the review and redesignation required by the European Commission for 2010 will provide the opportunity for fundamental reform, and that an interim scheme until 2009 is likely.

If not, what alternative would you suggest?

3. LINK ATF's preferred option for an interim scheme would be to transfer a proportion of the LFASS budget (for example, £20 million per annum, the sum previously allocated to environmental top-ups) to be delivered through agri-environment options in LMCs. This sum would be ring-fenced, and only accessible by LFA farmers and crofters. The success of this would, however, depend on enough appropriate agri-environment options being contained within LMCs, to ensure that the purpose of retaining extensive cattle and mixed systems within High Nature Value farming and crofting systems could be achieved, and it is likely that LMCs in 2007 will fall short of this.

4. Recognising that a simpler option may be the only one to attract widespread support, and that administrative simplicity is a high priority for the Scottish Executive, the following measures are proposed by LINK ATF and others, for the interim period 2007-2009. These go some way to allowing a reflection of current stocking within the historic payments system proposed, but are an attempt to identify an acceptable compromise for the interim scheme, rather than our preferred approach.

5. In order to continue to receive the higher payment associated with keeping 50% or more cattle in the livestock mix, the farmer or crofter must:

a) Be subject to an investigation if the proportion of cattle in his livestock mix decreases by 15%. If the decrease is not justifiable, the higher payment would be removed, leaving only the base LFA payment.

AND

b) Retain a mixed livestock or cattle only system, and either manage a minimum area of grass for hay, or grow a minimum area of fodder crop, or maintain a minimum percentage of grassland in permanent pasture

In order to retain the higher payment rate associated with keeping at least 10% cattle in his livestock mix, the farmer or crofter would need only to ensure maintenance of a mixed livestock or cattle only system.

Land Management Contracts (LMCs)

Do you agree with the national objectives identified in Annex C?

6. LINK ATF continues to support the concept of LMCs as a simplified delivery mechanism for land management funding, planning and advice. There are some concerns about their effective delivery for natural and cultural heritage, however, that should be addressed in the SRDP. LINK ATF supports the national objectives identified for LMCs in Annex C, but the key to effective LMC delivery will be the balance of measures adopted, and the structures of targeting, priority-setting, planning and advice that accompany them. We would stress the need to go beyond legal requirements.

Do you agree with the proposed integration of schemes into LMCs?

7. LINK ATF supports in principle the integration of existing schemes within LMCs, as the aim is to provide land managers with a simplified and integrated delivery system for funding, planning and advice. However, there must be assurances that funding for each of the integrated schemes will not be compromised by their integration into LMCs, and that their baseline environmental standards will not be jeopardised by integration. We are particularly concerned that the proposals to integrate the existing Scottish Forestry Grants Scheme (SFGS) into LMCs would remove the UK Forestry Standard from all woodland creation.

Are the proposed lists of Tier 2 and Tier 3 measures in Annexes D and E suitable for the delivery of LMC objectives on: i) economic issues ii) social issues iii) environmental issues?

8. No. LINK ATF believes that, in addition to the guiding principles outlined in paragraph 19 of the consultation document, a 'public goods test' should inform the selection of measures submitted as part of the SRDP. Those measures where the primary beneficiary is the individual business, the sector, or other private interests, should not be selected for the SRDP.

9. We believe that the majority of measures proposed under "investment in holdings" would not pass such a public goods test, and many would fail to satisfy the guiding principles outlined in paragraph 19. For example, it is hard to see how "insurance provision for natural disasters" could be said to deliver public rather than private benefit, and how it could be justified in terms of funding being the most appropriate solution, and delivering an outcome that would not happen otherwise. Similarly, the public, as opposed to private, benefits of the "membership of quality assurance" measure have to be questioned, as would its adherence to the principles that funding is the most appropriate solution, and that funding is delivering an outcome that would not otherwise have happened.

10. In order that the best value for the public funding channelled through the SRDP is achieved, measures that have multiple outcomes should be prioritised. For example, the creation and management of wetlands contributes to objectives for flood management, diffuse pollution, climate change and biodiversity.

Is there an appropriate balance between the proposed economic, social and environmental measures for LMCs?

11. No. It must be remembered that LMCs are comprised of three tiers. Tier 1, the Single Farm Payment, is an essentially 'economic' payment, which on a national funding level outweighs the higher two tiers by a factor of around 4:1. Therefore, the balance of LMCs must be re-dressed towards social

and environmental payments in Tiers 2 and 3, in order that LMCs contribute to sustainable development objectives.

Do the proposed measures encourage an integrated approach compatible with sustainable development?

Should there be a mechanism for ensuring that land managers adopt a spread of measures from Tier 2?

12. There is currently no mechanism proposed for LMCs that would create an integrated approach consistent with the principle of sustainable development, which does not rest with the proposed measures themselves. In themselves, neither do the measures go any way towards encouraging an integrated approach. Some measures in the proposals may be harmful to one aspect of sustainable development whilst encouraging another, unless proper locational and other targeting is inherent. For example, measures aimed at biomass, such as woodland creation, can be harmful to biodiversity unless these are targeted at supporting environmentally sustainable crop design and management and are located in areas where they avoid environmental harm. Mechanisms to encourage such an integrated approach should be built into the LMC model, to ensure delivery through LMCs contributes to sustainable development.

13. LINK ATF has long advocated a system of Whole Farm Planning, which would allow the successful integration of measures at farm or croft level. Without such a system of planning, and accompanying advice, there is no overarching mechanism to ensure sustainable development is an objective at the level of the holding. Although the proposals for Rural Development Frameworks for Tier 3 do propose some options for plans, LINK ATF is particularly concerned that the proposals do not contain plans for Tier 2 of LMCs. There is no mechanism at all to guide the selection of Tier 2 measures in the existing LMC Menu Scheme, therefore no guarantee that the overall scheme will not be skewed in terms of measures, and thus hinder sustainable development. This lack of planning should not continue into Tier 2 of LMCs from 2007 onwards, or the Executive's aims contained within the Sustainable Development Strategy will not be achieved. Further, it is hard to see how the Scottish Executive would be able to assess the suitability of applications or monitor and evaluate the effectiveness of its expenditure, without a system of planning that extends beyond Tier 3.

14. We propose that, in the interim before a coherent system of Whole Farm Planning can be established, a basic audit and plan should be a pre-requisite for entry to Tier 2. LINK is happy to work with government and others to draw up the detail of such an audit and plan, but basic elements would be the mapping of habitat features and their condition, the existence of key species, an audit of archaeological features, and the mapping of key sites of access, recreation and tourism importance. A basic plan or set of target notes would highlight where priorities for action should be.

15. Collaborative LMC applications, at a landscape or catchment scale, also have the potential to ensure sustainable development is taken into account at this wider scale. Testing for the sustainability of collaborative applications should be a criterion for their prioritisation within LMCs, as should be the case for individual applications. LINK ATF supports the encouragement of applications at the landscape or catchment scale, as they have the potential to deliver for the range of SEERAD environmental objectives in an integrated way.

LEADER

Should the LEADER mechanism be used to deliver across all the Axes?

16. The reason for including LEADER within the new EARDF was to mainstream some of the innovative approaches to stakeholder engagement and area-focused, integrated and strategic interventions into mainstream rural development delivery. LINK ATF agrees that these approaches are urgently needed in the SRDP if it is to deliver real benefits that meet real needs. LEADER approaches should be incorporated across the whole of the public support to land management and wider rural development and not just restricted to the SRDP.

How can LMCs and LEADER be administered to deliver mutually supportive approaches to rural development?

17. Key to incorporating LEADER principles into wider rural development will be how it is administered. The key principles are that it should be participatory, it should be integrated and it should be flexible enough to incorporate regional variation. LINK ATF believes that neither LEADER Local Area Groups nor the current Programme Advisory Committees are necessarily the right approach – not least because there are inconsistencies within the proposal concerning whether the private sector is able to

participate and whether there will be potential conflicts of interest if they function in both a planning capacity and in assessing individual applications for funds.

18. The responsibility for developing regional rural development strategies and for running and implementing parts of the SRDP could be based upon Community Planning Partnerships. This would ensure wider integration with the range of relevant policies and programmes that impact on rural development. CPPs exist already at each Local Authority level, all public agencies are required to be participants and they have an existing remit for delivering local sustainable development based on the participation of beneficiaries. Whilst there are questions about how participatory community planning is it would be logical for SEERAD to take advantage of existing structures and processes rather than developing new ones of its own. By entering into an existing process, SEERAD could usefully focus its efforts on strengthening the role of stakeholders in planning and implementing rural development.

Implementation

Do you agree with the proposed Rural Development Framework approach?

19. LINK ATF agrees that support should be co-ordinated at a regional or local level as well as at the individual business level to deliver maximum public benefit. We advocate that all support should be managed in this way and not just Tier 3 of LMCs. We continue to support a system of Whole Farm Planning, as outlined above, and in the interim, a basic audit and plan as a requirement for entry to Tier 2.

Do you think that the proposed RPAC approach would be an effective means of delivering regional and local priorities while meeting national objectives?

20. LINK ATF welcomes the recognition by SEERAD that rural Scotland is varied and that there needs to be a mechanism for that variety to be dealt with in rural development. A regional perspective must be given to all public support to rural development and not just to Tier 3 of LMCs. However, there are serious concerns about the proposals for RPACs contained within the consultation document. Whilst we support the setting of regional and local priorities, and an ongoing advisory and monitoring role by stakeholder panels, we are unable to support the idea of RPACs' involvement in project assessment and the disbursement of public funding. Considerably more developmental thinking is required, should a system of RPACs be a feasible alternative to delivery of public funding through an accountable public body, which has inherent duties to adhere to in its actions, including the biodiversity duty required by the Nature Conservation Scotland (2004) Act.

21. LINK ATF would like to see SEERAD learn from the work that the Forestry Commission have been involved in over many years in both developing regional plans, in the form of Indicative Forest Strategies, and engaging with stakeholders at a range of levels, from the National Forestry Forum to the Regional Fora around the country – as well as through subject focussed engagement such as the Timber Transport Fora and a wide range of community forestry initiatives. Further learning could also be derived from SEPA who are trying to develop similar approaches under the Water Framework Directive. LINK is happy to work with government in developing an approach to regionalisation that does not duplicate existing structures, and builds on the best of these.

Would RPACs be an appropriate approach for applications under all of the Axes?

22. We consider that the development of RPACs is at too early a stage for this to be considered, so will not comment on this issue.

Which interests do you think should be represented on the RPACs?

23. As LINK ATF does not consider RPACs to be a feasible proposition at present, we will not comment on this issue. However, it is vital that all relevant interests are represented on whatever regional advisory panels are established. LINK would seek to provide environmental representation, and there are existing structures that have wide representation within them. Community Planning Partnerships already include the full range of public agencies that contribute to 'community well-being' including economic, social and environmental, and provide a model that rural development advisory groups could follow. There must be coordination with Regional Forestry Fora and the advisory groups for River Basin Management Planning.

Do you agree with the proposed system of guidance on regional and local priorities to enable greater targeting in the SRDP.

24. Yes. LINK ATF agrees that guidance on local and regional priorities should be developed, although not at the expense of national priorities, which must be weighted accordingly. It is vital that the

construction and ongoing review of this guidance is inclusive of all relevant local and regional expertise, in order that the priorities established are the correct ones.

What mechanisms could be put in place to ensure that the advice provided is of a high standard that will help achieve the policy outcomes expected?

25. LINK ATF welcome the development of a Farm Advisory Service to assist farmers and other rural inhabitants achieve the objectives of the new SRDP. We anticipate that Advisers giving advice to land managers will themselves have properly accredited training in all aspects of environmental protection and management. Such environmental training must underpin all aspects of farm advisory services to comply with both national and European commitments and legal obligations. In some cases this will require specialist Advisers and in others a modular system of training to accredited standards will be necessary. LINK Member bodies are happy to use their expertise to develop such systems for Land Managers in Scotland.

What areas of activity should the SRDP support in order to ensure that it complements activities supported through other funding streams?

26. There should be co-ordination between SRDP activities supported by the EAFRD and activities supported through all other funding streams, including, particularly, Structural Funds. LINK ATF is specifically concerned about a potential lack of co-ordination between the EAFRD and Structural Funds in meeting commitments to protect and enhance the Natura 2000 network of sites designated for their nature conservation importance. It is expected that Natura 2000 commitments will be financed in part by the EAFRD, part by Structural Funds (in particular the ERDF), by LIFE+ and domestic funds. The SRDP must be clear and specific about how EAFRD funding will be used for Natura 2000 sites, and clarify which aspects of Natura 2000 funding will be covered by other funding streams.

Monitoring and evaluation

27. LINK ATF welcomes the proposal to have an integral systematic process of monitoring and evaluation for the new SRDP. The monitoring and evaluation for the current SRDP has been unsatisfactory, and the delivery of public benefits through the programme difficult to identify. The baseline environmental data contained within the ex ante evaluation of the SRDP 2007-13 was highly unsatisfactory. Future evaluations should improve on this.

28. SEERAD must take the opportunity presented by the new SRDP and the introduction of LMCs to have a much more transparent approach to access to information about the use of public funds to support rural development. Only by publishing such information in a comprehensive and comprehensible way will the Executive be able to maintain public support to land managers in the long run

Strategic Environmental Assessment

29. While the production of an environmental statement on the proposed SRDP is to be welcomed as part of the Strategic Environmental Assessment (SEA) process, the document as produced is only marginally helpful in defining the environmental impacts of the proposed SRDP. LINK ATF would have preferred to see a more analytical statement with greater assessment of the likely environmental outcomes of the Measures listed in the SRDP and what actions need to be taken to make the proposed SRDP objectives and procedures more environmentally compliant. We anticipate that the three Statutory Agencies (HS, SNH & SEPA) will take the opportunity to convert this into a document that is more useful in producing an environmentally sustainable Rural Development programme in Scotland. ¹

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