

The Draft Scottish Government Budget SRDP Funding 2011-2012

Background

The Draft Budget 2011-12 reduces the Scotland Rural Development Programme (SRDP) by £50m compared to previous years. Agri-environment spending is cut by £10m; funds are divided between the targeted Rural Priorities (RPs) and the more widely available Land Managers' Options (LMOs). Since LMO applications are non-competitive, the RP budget will bear the brunt of the cuts. Other areas of spend have been protected, notably the Less Favoured Area (LFA) budget including the increase in funding granted last year. The SRDP forestry budget has also increased. SNH, Forestry Commission and SEPA's budgets have all been reduced by 10% or more.

Over the last few years the weak pound has allowed the Government to reduce the proportion of national funding while maintaining overall SRDP spend thus saving millions of pounds of Scottish Government



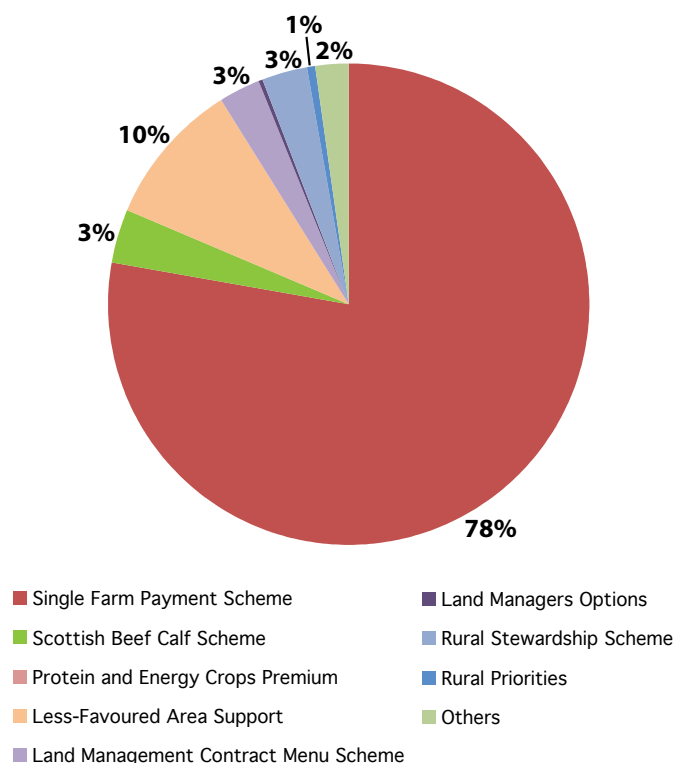
funding compared with expectations at the start. Having already spent less than planned on the programme, the latest cuts will now result in a real reduction in its overall size.

SRDP funding, already overstretched, is essential to meet Scotland's environmental commitments.

Facts and Figures

- Scotland has the lowest Rural Development support per hectare in the EU and allocates a smaller proportion of this spend to agri-environment than any other UK country.
- The Scotland Rural Development Programme (SRDP) was launched in 2008 with an overall budget of £1.5bn, 25% to be sourced from the EAFRD¹ and 75% from national funds.
- For 2007-2013, Scotland has an EAFRD allocation worth €676m,² its value in GBP varies with the exchange rate.
- In 2006 the annual shortfall in the funding required to meet UK BAP targets in Scotland was estimated at £43m.³
- The economic value of Scotland's environment is considerable. SNH has estimated the output from activities which depend on the natural environment in Scotland at £17.2 bn a year, 11% of total Scottish output.⁴
- The TEEB report has stressed the multi-trillion dollar importance of the natural world globally and the losses likely to be incurred through doing nothing to maintain ecosystem services and biodiversity.⁵

Agricultural Funding 2010



Figures taken from the Scottish Government Publication [Agriculture facts and figures 2010](#).

Scottish Environment LINK's views

The Scottish Government had difficult budgetary choices to make but LINK believes environmental spend should be protected given its importance for human well-being and wealth. Cuts here will have significant long-term impacts and compromise our ability to address problems such as climate change and biodiversity loss. Cuts in spending should be focused on activities with negative environmental impacts, including some infrastructure projects involving large capital spend.⁶

When funding is tight, it must be targeted at meeting agreed objectives and Government commitments. Instead LINK believes that decisions on where to reduce the SRDP budget have been made largely on the basis of how easy it is to use resources rather than through strategic policy decisions.

The LFA scheme could help to maintain High Nature Value farming systems but it is not well designed to achieve this. It is disappointing that its budget will remain at increased levels despite the Cabinet Secretary's assurance, when he announced the

increase last year, that this would not be at the expense of other parts of the SRDP.⁷

LMOs are important for encouraging broader uptake of agri-environment across the farmed landscape. However, the range of options available and lack of advice or planning means outcomes cannot be guaranteed.

LINK believes that the Rural Priorities (RP) scheme is a more effective way to target spend at environmental objectives and therefore should be protected from cuts. The current scheme design however, is far from perfect. It is important that the Government look at better targeting for environmental outcomes. This should include giving higher priority to protected species and habitats, recognised archaeological features and valued landscapes.

SNH, SEPA and Forestry Commission staff act as case officers and provide a level of advice to SRDP applicants. Adequate funding is vital to allow them to continue and ideally expand this role to ensure targets for protected sites and water quality are met.

Notes

1. [European Agricultural Fund for Rural Development](#); 2. [Rural Development Plan Scotland Europa Press Release 24/01/08](#); 3. GHK Consulting Ltd in association with RPS Ecology (2006)UK Biodiversity Action Plan: Preparing Costings for Species and Habitat Action Plans. Report to Defra and Partners; 4. [SNH \(2009\) Valuing our Environment, The Economic Impact of Scotland's Natural Environment](#); 5. [The Economics of Ecosystems and Biodiversity Synthesis Report](#); 6. [Scottish Environment LINK \(2010\) Protecting the Environment in a Time of Cuts](#); 7. [Rural Affairs Secretary Richard Lochhead June 10, 2009 Statement to the Scottish Parliament Support For Scottish Agriculture](#).

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