

SRDP Progress / RDOC Update – October 2019

Introduction

1. The Rural Development Operational Committee (RDOC), which forms part of the SRDP programme governance structure, met on the 04 October. Papers tabled at the RDOC meeting will be made available on the website: www.gov.scot/groups/srdp-2014---2020-rural-development-operational-committee.

SRDP progress

2. The programme continues to progress well in delivery of funds, to date the programme has approved over 14,000 applications, along with supporting around 11,300 farmers and crofters each year through the Less Favoured Area Support Scheme (LFASS). This totals nearly £1bn of new agreements, out of a total budget of £1.26bn.
3. Scheme demand remains strong although some have committed their full budget allocation and are currently closed. The 2019 application round for the Agri-Environment Climate Scheme (AECS) has closed and applications are being assessed. This was a smaller application round and the assumption is there has been a reluctance to commit to 5 year contracts during Brexit uncertainty. The latest Knowledge Transfer and Innovation Fund (KTIF) applications are being considered.
4. Modification 6 is being progressed and the RDOC was provided with an overview of the proposals:
 - Changes to the financial and indicator plans
 - Change to the LFASS 2020 payment rate (to the maximum permissible)
 - Removal of the Joint Programme Monitoring Committee (JPMC)
5. The financial changes had been modelled, there had been an initial submission to the Commission and engagement will continue.
6. Monitoring of the SRDP continues with several reviews recently completed or are in process. This includes the Food Processing Marketing and Co-operation (FPMC) Scheme review that has been published, an evaluation of LEADER that will cover the entire 26 years, a review of the Scottish Rural Network, a review of FPMC and LEADER grants, and an AECS evaluation.

Budgets

7. SRDP budget is mainly committed at this stage of the programme and there is limited scope for change. We await the next Scottish Government budget.
8. No decisions have yet been taken about convergence money.
9. There is one remaining opportunity within the programme for a pillar to pillar transfer and it would need to be approved by the end of the year. This would include any capping of direct payments for the 2020 scheme year and was a ministerial decision.

EU exit and future policy

10. The EU Exit date remains the 31 October 2019 pending any agreement, extension or legal action. If we leave with no deal existing CAP rules will be transferred into domestic law via the EU Withdrawal Act, as retained EU law:
 - Without primary legislation (Rural Support Bill) we are unable to make any changes beyond what CAP currently permits through delegated powers.
 - The requirement for the RDOC and reporting will remain in place with the only change being who we report to.
 - Programme modifications will involve Parliamentary scrutiny.
11. The SG announced a National Basic Payment Loan Scheme to support farmers and crofters in the event of a no deal Brexit. On 04 October the first payments arrived in bank accounts. It totals £327.17 million to more than 13,450 applicants. This is the single biggest mitigation action the SG can provide at this time.
12. Funding guarantees - SRDP projects are guaranteed, for the lifetime of the project, where contracts are entered into before 31 December 2020. There is a pledge to maintain the budget for 'farm support' until the end of the current UK Parliament, however it is not clear what counts as 'farm support'. Ministers and stakeholders continue to push for all Pillar 2 (and Pillar 1) to be guaranteed in full.
13. 2021 – 24: Proposals focus on retaining existing CAP schemes, in broad terms, to provide certainty for farmers and land managers, while simplifying the administration of those schemes. Officials are working on proposals to deliver our agriculture, crofting and rural support from 2021 based on the Stability and Simplicity consultation and input from the Simplification Taskforce. We anticipate stakeholder engagement later this year/early 2020.
14. 2024: A Parliamentary debate in January agreed that the principles of longer term future policy should include: sustainability; simplicity; innovation; inclusion; productivity; and profitability. The Farming and Food Production Future Policy Group was established in 2019 to advise on the development of this future policy.
15. No substantial progress on the next CAP is expected until the appointment of a new European Commission and decisions on the MFF budget. We hope for some clarity in October/November. It is expected that there will be a delay in the implementation of the new CAP.

Programme Monitoring Committee (PMC)
02-08a: Update on EAFRD

Annex A – Risk Register – key risks

Risk	Impact	Mitigation
Brexit/funding guarantees: Guarantee for SRDP programme for contracts in place up to 31 December. No guarantee for projects past this date	No impact for current SRDP which should allow SRDP objectives to be delivered on the rural economy and communities, including environmental and farming support. The on-going lack of clarity for funding post 2020 risks continued delivery of these outcomes.	Central SG Finance, and Scottish Ministers continue to press on HMT for further clear, written funding guarantees on the UKG 'farm support' commitment and for information on the Shared Prosperity Fund
Limited budget and tightening of public sector finances, continued pressure on domestic budgets risk to overall impact on delivering SRDP outcomes.	SRDP is co-financed by SG, budget impacts will come directly from SG's spending reviews. This may affect the ability of the programme to delivery expected outcomes, the balance between measures in the programme and the ability to deliver original level of support set out in the initially approved programme.	SRDP programme team continue to review financial allocations and demand to ensure allocated funds are provided to key priority areas, subject to ministerial decisions. A modification in 2019 to amend the financial plan is expected.
Failure to deliver SRDP payments	IT challenge could result in delay to SRDP payments and / or limit type of scheme payment.	Project management controls in place for on-going IT development of the future payment system. Manual contingency has been developed for making payments if required . This is in addition to providing access to national loan scheme to deliver substitute payments for LFASS support as required.
Ability to continue support to rural and remote farms and crofts due to the changes to rules for LFASS, which require either payments at 80% for 2019 and 40% for 2020, or the introduction of ANC	A cessation or significant drop in support to the current less favoured areas risks the viability of up to 11,300 businesses, ultimately risking potential land abandonment and associated socio-economic and environmental impacts.	Ministers have given a commitment that the support to the LFA will not go below 80% of the current funding levels. Officials are working on options, however, uncertainty around future rules (inc State Aid) and funding means challenging to confirm viable options. Close working with delivery colleagues to ensure any policy options are deliverable.
Monitoring & evaluation	Lack of evidence on performance of schemes against outcomes which is necessary to inform the design of future support.	Monitoring completed or underway for most schemes. Progress against programme targets is being monitored through Annual Implementation Reports and feedback from the Commission and contractors will help improve our monitoring.

Annex B - Scottish Rural Network (SRN): Highlights – period May to Sep 2019

Publications

- **Scottish Rural Development Programme Brochure** - The SRN produced a new flyer featuring projects funded by Scottish Rural Development Programme (SRDP), as well as some facts and stats from the SRDP team. The publication made its debut at the Royal Highland Show June 2019, where we caught up with one of the projects featured, the LEADER funded Strathearn Cider. Read our case study here:

[Strathearn Cider](#)

- **Citizens Summary infographic**



Citizens Summary
infographic.pdf

- **Quarterly SRN Activity Summary**



SRN Quarterly
comms review April

Campaigns

- **National Mental Health Awareness Week (May)** - Every year the SRN supports the National Mental Health Awareness Week campaign on social media by sharing relevant case studies and other content as well as signposting to resources and help available for rural communities. Read an campaign example here: [SAYFC launch mental health campaign](#)
- **Volunteer Week (June)** - During the first week of June 2019 we supported the 'Volunteer Week' social media campaign by finding and highlighting various volunteering opportunities from across rural Scotland: [Volunteers Week](#). We also featured a guest blog on our website from volunteer chef George Thomson which you can read here:

[Volunteer Blog](#)

- **Community Land Scotland week (August)** - Social media activity to support CLS week including promoting community buy outs and funding via LEADER and other sources. Filming undertaken at Pairc Trust for future case study. Newsletter article [here](#)
- **Rural Innovation Support Service (RISS) Island Campaign (Sept)** – scoped, planned and actioned a targeted campaign to island stakeholders island communities to raise awareness of RISS offering and encourage access to services. Newsletter article [here](#)

Events

- **Black Isle Show** - Two team members attended the **Black Isle Show** conducting filming and photography for social media and newsletter content. Outputs utilised in social media, newsletter and blog articles

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- **NordMAB (Oct)** - Planning and support underway for a Scottish hosted NordMAB event in Plockton (October) including logistics, venue, funding, etc.
- **Rural Enterprise Futures (Sept)** - Through July, August and September - Planning and event management for the **Rural Enterprise Futures** event held on 19th September and aimed at key stakeholders and policy makers to develop discussions regarding the future of rural enterprise in Scotland post LEADER/EAFRD, further funding opportunities, sectors of the future, etc. Event is Scottish LAG/FLAG chairs hosted and featured key note speech from Cab Sec. Newsletter article [here](#)
- **Islands Revival Project (August)** – Attendance at an **Islands Revival Project** workshop in August focused on depopulation/repopulation of island communities – promoted via social media and newsletter.

Case Studies

- In **August** a month long programme of filming across various LEADER and EMFF funded projects across Scotland for use in case studies was conducted including:
 - LEADER project in Kirriemuir (DD8)
 - LEADER project on Stornoway (Pairc Trust)
 - LEADER project in Ayrshire (Creese Escape)
 - LEADER project Dollar (Cowden Garden)
 - LEADER project Arctic Convoys Museum (Lochaber)
 - EMFF project in Ullapool (The Galley Seafood café)
- **LAGS/FLAGs Chairperson's Group (August)** - Supported LAGs and FLAGs Chairperson's meeting held in Stirling with team member attending providing support and SRN update
- **Rural Innovation Support Service (RISS)** - Various meetings with **RISS** regarding work streams including scoping and planning a targeted campaign to island stakeholders island communities to raise awareness of RISS offering and encourage access to services (*you may want to expand on this in light of updated briefing and lack of recognition of RISS contribution through SG Comms machine*)

Misc

- **Woodland Croft Programme** – grant funding agreed and progressing (SGLD being very challenging) but we are getting there.
- **Future priorities** – you may wish to refer to your **Priorities for Scottish Rural Network 2019/20** document