

SCOTTISH RURAL DEVELOPMENT PROGRAMME 2014 – 2020

RURAL DEVELOPMENT OPERATIONAL COMMITTEE (RDOC) - 4 October 2019

Minutes of the meeting

List of people attending

John Kerr, <i>Chair</i>	SG-ARD
Graeme Beale	RESAS
Kirsten Beddows	SG-ARD
Brendan Callaghan	Scottish Forestry
Heather Curran	SG-FD [until standing items]
Maria de la Torre	SNH
Jamie Farquhar	CONFOR
Shirley Graham	SG-ARD
Jon Hollingdale	Community Woodlands Association
Julian Pace	Scottish Enterprise
Egle Puosiunaite	European Commission
Joseph Ritchie	RESAS
Susan Smith	COSLA (East Lothian)
Jackie Thomson	Scottish Islands Group
Tarja Tiainen-Balsby	European Commission
Eileen Wall	SRUC [until standing items]
Michael Wilson	SG-ARD

Welcome and apologies

1. The Chair, John Kerr, welcomed members to the second Rural Development Operational Committee (RDOC) of the year and asked for introductions from around the table. He thanked Stoyan Stoyanov (SG-ARD) who has recently departed the team on a career break. The RDOC would be updated on his replacement.
2. Yesterday our European Commission colleagues visited the Borders to see SRDP funded farms and projects. There was a morning visit to Whitriggs Farm, a monitor farm, owned by the Mitchell family. Discussions involved the monitor farm project and family succession plans. The farm tour included grassland, cattle and a new deer enterprise the son had started. In the afternoon there was a visit to Whitchesters Farm which is a tenanted upland unit run by Andrew Tullie, a recipient of a Young Farmer Start-up Grant. The issue of getting new entrants into farming was discussed and the visit concluded with a farm tour that involved livestock, discussion of tenant farming, the use of the Forestry Grant Scheme and intended AECS areas.

3. Tarja thanked the team for the visits and highlighted the friendly welcome from the hosts and the informative discussions, particularly on the issue of succession and availability of land, which are similar issues across the whole of the EU. John noted the collaborative approach to introducing a woodland strip for flood management in Hawick was interesting along with the additional section of forestry used for biosecurity to prevent nose-to-nose contact. John posed a question to Brendan on ensuring this type of woodland generation is supported.
4. Michael provided the list of apologies received: Alexander Bartovic (European Commission), Darrell Crothers (SEPA), Steven Dora (SG-ENFOR), Jonnie Hall (NFUS), Eleanor Kay (SLE), Patrick Krause (SCF), Alistair Prior (SG-SRN), Alan Robertson (SG-SRN).

Minute from the previous RDOC held on 2 May 2019 and matters arising (RDOC/2019/0069) ([link to document](#))

5. The minute was circulated for comment on 30 May and the official minute was circulated to the RDOC on 17 June 2019. The Chair asked if the RDOC had any comments to make. Maria identified an error in the AECS monitoring update (para 7) as the date of completion was the first quarter of 2019 when it should be 2020. This would be updated. The minute, with that update, was accepted.

Action 1 – Amend May minute to correct AECS monitoring completion date.

6. The Chair listed three actions from the May meeting and provided an update [contained in section 1 of the Programme Progress Report and the accompanying FAS table]. There was one query from Jon on the FAS table in relation to the definition of crofter and small farm subs. Shirley provided clarity that we subsidise the circulation of relevant information with the crofting community.

Terms of reference (RDOC/2019/0074)

7. Kirsten outlined the updated terms of reference. The JPMC had not worked as intended and had been disbanded as discussed at the May meeting. The update reflects this structural change in relation to the different elements of the Regulations and the reporting mechanisms. It is a technical update. Maria added the RDOC was an important mechanism for monitoring the SRDP and was good for transparency. The terms of reference was accepted with no further comments.

Presentation – Beef Efficiency Scheme update

8. Heather provided the background to the Beef Efficiency Scheme (BES) and Eileen delivered a presentation on the “Genomics for Beef”. The aim over the five year scheme is to develop suckler herds to increase efficiency by the reduction of

emissions from beef production and improved herd profitability to make them more sustainable economically and environmentally.

9. Eileen delivered a detailed presentation that looked at the requirement for data to understand the Scottish perspective particularly on ruminant focused Scottish agriculture. It covered the climate impact of agriculture from ruminants and livestock systems, estimated breeding value, traditional breeding versus genomics, BES data benefits, highlights and the value of genetic and genomic data to farmers.
10. There followed a Q&A session where a variety of issues were discussed including; % of suckler herd, reason for payment rate, comparison across breeds, comparison on grass fed to indoor livestock, carbon sequestration and benchmarking availability for participants.

Standing items

- **5.1: Programme progress report (RDOC/2019/0071) ([link to document](#))**

Kirsten discussed the Programme Progress Report. Some areas would be covered in other agenda items.

Actions/issues log – agenda item 2

Programme update – partnership agreement

11. Fisheries are delivered at UK level but other funds are via delivery partners and take a different approach. The European Social Fund (ESF) is in pre-suspension, Susan notes the European Regional Development Fund (ERDF) is not. The future post-Brexit is under discussion. There is a UK proposal for a shared prosperity fund but it is unclear if this includes LEADER. There is no new information on the issue but there is a steering group chaired by Professor David Bell. Jackie and Susan note the impact on LEADER in relation to the timescale for the end of the programme and retention of staff. There was a discussion about regional approaches for future support, and whether it would be relevant for LEADER to follow a similar approach
12. Jamie asked about the steering group and the relation between it and the Farming and Food Production - Future Policy Group (FFP-FPG). Kirsten added the steering group will look wider across the ESF and ERDF programme funds but it was important to ensure any linkages or crossover with the SRDP and LEADER/FPMC was considered.

Action 2 – Seek further information on the Professor Bell group and circulate.

Programme update – EU exit/future issues

13. There are funding guarantees in a deal and no deal scenario. More information should be available following the UKG Autumn budget statement. Progress on the next CAP is expected following the appointment of the new European Commission. There is an expected delay in the implementation of the next CAP it could be useful in a remain situation as we would not be behind the curve. There is funding available through the [Farm Advisory Service \(FAS\)](#) to commission an expert review of business strengths and weaknesses and to develop a resilience action plan to safeguard future operations. Emotional, practical and financial support is also available via [RSABI \(The Royal Scottish Agricultural Benevolent Institution\)](#).

14. Further Brexit and future support will be covered at agenda items 6 and 7.

Programme monitoring – modification update – agenda item 5.3

Programme monitoring – monitoring & evaluation – agenda item 8

Programme monitoring – AIR – Annual Implementation Report – agenda item 8

Communications – SRDP communications and Scottish Rural Network

15. Kirsten provided an update on SRDP communications. A SRDP brochure was produced alongside infographics highlighting facts and stats from SRDP projects to better disseminate the achievements of the programme. The Citizens Summary infographic was provided in hard copy along with the Quarterly SRN activity summary. These would be distributed electronically after the meeting. A booklet from the Rural Innovation Support Service (RISS) was provided following their presentation at the May RDOC.

16. Egle had visited two LEADER projects during her last trip and she has an article that is approved for publication with the EU communications team and would be available soon. Three Scottish projects have been nominated for the rural innovation award.

Action 3 – Amend Woodland Crofts Partnership typo on page 10 of the Programme Progress Report.

Finance – budget

17. Kirsten provided an update on the key budget points. The SRDP is mainly committed at this stage of the programme and there is limited leeway. We await the next SG budget. No decisions have yet been taken on the convergence money that the UKG has agreed to repay. Jamie asked about pillar to pillar transfers. Kirsten noted that there is one more opportunity within the programme and a decision must be approved by the end of the year, this would include any capping of direct payments for the 2020 scheme year. It was a ministerial decision. Jackie asked about the LFASS gap. Kirsten noted the issue is

maintaining support to the LFA, which is not possible via the SRDP, but is a Cabinet Secretary commitment.

Error rate action plan

18. A bilateral meeting had recently taken place. One error has been removed and an explanation had been provided for the other error with the expectation that this would also be removed.

Risk register – key risks

19. The RDOC were asked for views on the register. Jon asked about the lack of joined up thinking on new entrants as BPS is paid for income support to prevent land being abandoned but this can prevent land from being released. John noted it had been discussed during the visits yesterday and challenged everyone to think about how we could continue income support to those who are virtuous and prevent it going to those who are not productive. Tarja said the issue of how to target BPS better was one across all Member States (MS). It required political courage and decision making as eligibility criteria is now deferred to MS to define genuine farmers. Maria added an issue was the lack of separation between entitlements and land use, with convergence money a potential opportunity.

• 5.2: Scheme update table (RDOC/2019/0072) ([link to document](#))

Shirley discussed the scheme update table:

20. Minimal change to the AECS table since the last RDOC, the 2019 applications are being assessed now. Demand is slightly lower than hoped, the assumption is there has been a reluctance by land managers to commit to 5 year contracts during Brexit uncertainty. It was noted the two farms visited yesterday had applied to the 2019 round for organic conversion.

21. The KTIF monitor farm visited the day before was approaching the end of the scheme, with the last meeting arranged for November. There were regularly around 35-50 participants. A small budget remains for KTIF during this programme. The annual progress of KTIF projects summary report for 2018 was produced in February and is available on our website.

22. A FPMC application round is open now and closes on 10 Nov, with the outcome expected in Feb 2020. The FPMC interim evaluation report was now published and would be shared.

Action 4 – Share FPMC evaluation with the RDOC.

23. Forestry has exceeded its programme allocation. The collaborative Hawick flood prevention scheme using woodland strips visited yesterday was noted.

24. New Entrants Capital Grant scheme was used by the first farm visited for deer fencing while the Young Farmer Start-up Grant was used by the second farmer yesterday. We saw the positive impact this funding had on both farms and in

particular the comments that without such funding it would be difficult for new entrants to take on a tenancy. Tarja commented on the helpful business type breakdown in the scheme progress section.

25. Julian asked about the reason for the yellow indicators for AECS and for BES. Kirsten noted AECS was due to the lower uptake while BES was due to a reduction in those participating in the scheme.

Action 5 – Scheme update table to be revised to include reasons for indicator colours and changes.

26. Jon noted there was lots to learn for future years and added the smaller, more defined schemes were closed or oversubscribed while the bigger, vaguer schemes were not. Jon also commented that LEADER had started late and closed early, with much of the spending going to large projects which does not appear to have matched the principles of the scheme to fund small scale local projects. The average input per applicant before match funding was noted as being high. Susan added that smaller scale applicants find the process too cumbersome and are put off.

27. Tarja added some MS were already planning for the future CAP with stakeholders and using the available data. Scotland has useful data that should be used but it was noted we were in an uncertain position. John added the recent ARD Stakeholder Group reflected the need for engagement as we consider the development of future policy plans.

• **5.3: Modification 6 (RDOC/2019/0073) ([link to document](#))**

28. Kirsten provided an overview of modification 6 and added the proposed financial changes had been modelled, there had been submissions to the Commission and engagement will continue. Once this has been finalised the RDOC will be updated.

29. Tarja added the RDOC, as the monitoring committee, should be content with the proposed modifications. There were no issues foreseen.

Action 6 – Further detail on the modification to be issued by correspondence to formally seek the RDOC's opinion.

• **6: Brexit update (verbal)**

30. John provided an update on the latest Brexit position. The EU Exit date remains the 31 October 2019 pending any agreement, extension or legal action. Brexit features significantly in Scotland's Programme for Government. The SG announced a National Basic Payment Loan Scheme to support farmers and crofters in the event of a no deal Brexit. Today the first payments arrive in bank accounts and 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.

31. 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, the Rural Support Bill, we will be unable to make any changes beyond what the CAP currently allows through delegated powers. The requirement to have the RDOC and the different reporting mechanisms for the SRDP will remain in place. The only change will be who we report to. For certain modifications this will involve Parliamentary scrutiny.

32. There followed a few discussion points that included; COSLA's work with UK shared prosperity fund and are represented on Professor Bell group, timetable for the Rural Support Bill, treasury guarantee, draw down process and exchange rates. It was noted that some of these issues are with our Central Finance team.

- **7: Future support update (verbal)**

33. The Rural Support Bill is in Programme for Government. The intent is to follow the stability and simplicity agenda. For 21-24 this will involve simplifications and improvement to existing CAP schemes. Work is underway and stakeholder engagement is planned for autumn. Information will be shared with the RDOC but due to timing and remit this will not be the main forum. The timing links into the Rural Support Bill timing for 2021 schemes.

34. Work is in parallel with the Simplification Taskforce and the Farming and Food Production – Future Policy Group (FFP-FPG) which is looking at recommendations for post-24 including considering approaches we may wish to pilot and how we take forward priorities around climate change and wider land use.

35. Jon and Julian both questioned farm diversification remaining as part of LEADER, this is being considered and our starting point is for schemes to remain the same, we are still pressing for clarity on 'farm support' commitment by UKG.

- **8: Enhanced Annual Implementation Report (verbal)**

36. The AIR notes a lack of evidence about impact. If you focus on messages there is an evidence need on impact, behaviour change and measure of net benefit. Quantifying outputs in relation to AECS and LEADER was noted but the EAIR acknowledges there are evaluations planned for these schemes.

37. There are several reviews recently completed or are in process. The FPMC review has been published. There is an evaluation of LEADER that will cover the entire 26 years by SRUC. It will be provided to the FFP-FPG. A review of SRN is about to commence. There is a review of FPMC and LEADER grants that will consider a proportionate application process.

38. Tarja added differentiation for small grants had been put in place by two of the devolved administrations which have been beneficial.

39. Brendan noted there was consideration of a forestry evaluation and this was a good time to evaluate as the programme had been running for a sufficient time. There would be further discussion about monitoring.

40. John noted we needed to ensure we could monitor and evaluate at programme level.

Action 7 – Further discussions on the monitoring and evaluation of SRDP are required. This topic will be revisited at the next RDOC.

- **9: AOB**

41. Tarja added the use of infographics was a good approach to presenting information.

EU RD Policy October 2019

Actions

Action 1 – Amend May minute to correct AECS monitoring completion date.

Action 2 – Seek further information on the Professor Bell group and circulate.

Action 3 – Amend Woodland Crofts Partnership typo on page 10 of the Programme Progress Report.

Action 4 – Share FPMC evaluation with the RDOC.

Action 5 – Scheme update table to be revised to include reasons for indicator colours and changes.

Action 6 – Further detail on the modification to be issued by correspondence to formally seek the RDOC's opinion.

Action 7 – Further discussions on the monitoring and evaluation of SRDP are required. This topic will be revisited at the next RDOC.