

Appendix B - SRDP Delivery Mechanisms

1. SRDP Delivery Mechanisms

1.1 Introduction

The SRDP was implemented and promoted through a total of eight delivery schemes with a mixture of multi-measure and single measure schemes. The use of these schemes, including a number linked to the previous period was intended to make SRDP support more approachable and recognisable from a beneficiary perspective. The schemes (particularly Rural Priorities (RP) and Land Managers Options (LMO)) allowed them to package multiple measures together with the aim that the combination of measures would achieve the required policy outcomes set out in the Strategic Plan, the main driver for the SRDP 2007-2013. Schemes were also designed to complement other domestic forms of development support.

In this ambitious approach Rural Development Contracts were identified as the key mechanism for ensuring the effective delivery of these policy outcomes. The aim here was to implement a strategic approach to business and land management planning. SRDP Measures were therefore packaged under RP and LMO to illustrate, particularly for applicants, how a combination of complementary measures is often required to achieve policy outcomes or how they may contribute to more than one outcome. The aim of SRDP was to provide integrated packages of support at holding or larger level addressing regionally defined priorities rather than individual interventions through single Measures. Regional Programme Assessment Committees were established for RP to identify local priorities and assess applications against these priorities. Table B1,

which can be seen below, shows which measures related to which schemes.

These eight delivery schemes were:

- Rural Priorities, the largest scheme in the SRDP covering 19 (18 without Measure 114) Measures and three Axes;
- Land Managers Options (LMO) covered 13 Measures (12 without Measures 114) and three Axes;
- Food Processing Marketing and Co-operation (FPMC) covered two Measures;
- Challenge Funds – Woodlands in and Around Towns (WIAT) and Forests for People (F4P) incorporated two Measures each;
- Less Favoured Area Support Scheme (LFASS) was a single Measure scheme;
- Skills Development Scheme (SDS) was a single Measure scheme;
- Crofters Community Agricultural Grant Scheme (CCAGS) was a single Measure scheme; and
- LEADER which was designed to contribute to the objectives of the three Axes and although not required to could in theory implement any of the Measures.

Table B1: Measures mapped to SRDP schemes

Measure Code	Description	SRDP schemes							FC
		RP	LMO	LFASS	SDS	LEADER	FPMC	CCAGS	
111	Vocational training and information actions	X	X		X				
112	Setting up of young farmers	X							
114 ¹	Use of advisory services	X	X						
121	Modernisation of agricultural holdings	X	X					X	
122	Improvement of the economic value of forests	X	X						
123	Adding value to agricultural and forestry products	X					X		
124	Cooperation for development of new products, processes and technologies in the agriculture and food sector and the forestry sector	X					X		
125	Infrastructure related to the development and adaptation of agriculture and forestry	X	X						
132	Participation of farmers in food quality schemes		X						
212	Payments to farmers in areas with handicaps, other than mountain areas			X					
214	Agri-environment payments	X	X						
215	Animal welfare payments		X						
216	Non-productive investments	X							
221	First afforestation of agricultural land	X	X						
223	First afforestation of non-agricultural land	X	X						
225	Forest-environment payments	X	X						
227	Non-productive investments	X							X - WIAT

¹ Measure 114 was closed down via a modification to the programme. Measure 114 was never implemented.

311	Diversification into non-agricultural activities	X							
312	Business creation and development	X							
313	Encouragement of tourism activities	X	X						
321	Basic services for the economy and rural population					X			X - F4P
323	Conservation and upgrading of the rural heritage	X	X						
331	Training and information	X							
341 ²	Skills acquisition, animation and implementation of local development strategies					X			
411	Implementing local development strategies - competitiveness					X			
412	Implementing local development strategies – environment/land management					X			
413	Implementing local development strategies – quality of life/diversification					X			
421	Implementing cooperation projects					X			
431	Running the local action group, acquiring skills and animating the territory as referred to in article 59					X			

² Measure 341 was never implemented.

1.2 Crofting Counties Agricultural Grant Scheme

The Crofting Counties Agricultural Grant Scheme (CCAGS) provided assistance towards improving the viability of rural business on crofts and similar scale agricultural holdings in the Crofting Counties, and to achieve other benefits such as improved animal health and welfare. The principle objective of CCAGS was to sustain the economic basis and way of life and so help retain population in crofting areas. Support was available for land improvement, agricultural buildings, access and facilities for keeping livestock. In doing so CCAGS contributed to maintaining and preserving an agricultural base in severely disadvantaged areas and encouraged investment in the economic potential of the land. CCAGS was a single-measure scheme, exclusively contributing towards the SRDP-Measure 121: Modernisation of agricultural holdings³.

Application Process

Eligibility for submitting a CCAGS application was based on an Economic Status Test which each applicant/s needed to pass. Following the eligibility test undertaken by the Scottish Government's Rural Payments and Inspections Directorate (SGRPID), an application form was then submitted to the local RPID office where an assessment was conducted on further eligibility grounds. The majority of applicants heard about the scheme through word of mouth.

Appraisal Process

Funding decisions were made at the area office who on occasion referred cases to the central RPID team or seek advice from the SRDP policy branch.

³ Note: while CCAGS was exclusively contributing to Measure 121; Measure 121 was covered by more than one Scheme.

Applicants needed to demonstrate that their business was viable and sustainable, that they had the relevant skills for the project, and that they complied with relevant standards.

Applicants were also required to show that the CCAGS award was not solely used for the purpose of increasing production capacity or replacing an existing asset. It also needed to demonstrate that the project meet one or more of CCAGS's objectives, ideally in an integrated manner.

Successful applicants received an offer letter detailing the award and any special conditions together with a claim form from their local RPID office.

Monitoring and Claiming Procedures

Work was carried out through the ongoing evaluations to ensure claims forms captured the required monitoring information on number of holding supported and new products and processes introduced. Interim and/or final claims were only able to be submitted on incurred expenditure.

1.3 Challenge Funds

The "Woodlands In and Around Towns" (WIAT) and "Forestry for People" (F4P) Challenge Funds operated across Scotland and aimed to improve the condition of existing woodlands for the benefit of local people. Both Challenge Funds were administered by Forestry Commission Scotland (FCS). WIAT delivered against Measure 227: Support for non-productive investments and F4P delivered against Measure 321: Basic services for the economy and rural population.

Application Process

The application form was available online through the FCS's website, with sign posting from the Challenge Funds pages on the Scottish Government's website.

Applicants were required to complete three application forms containing details such as the support applied for, the exact works proposed, and the location and description of the woodland. One part of the application needed signed and posted, the other part was saved electronically and emailed.

Appraisal Process

The full application, including maps and appendices were then sent to the relevant local Forest Conservancy Office who made the funding decisions. Applicants could apply to both funds.

Monitoring and Claiming Procedures

Projects were monitored in the early stages by the FCS case officers who undertook site inspections and followed up on claims etc. A high number of beneficiaries expressed dissatisfaction at the mid-term evaluation with the speed of payments.

It has not been possible for the FCS to produce data to complete Result indicator R6 identifying Areas under successful land management contributing to biodiversity. However, the FCS did develop a range of Key Performance Indicators (KPIs), some of which were additional and were collected to meet the requirements of the Scottish Forestry Strategy (SFS) and FCS policies.

1.4 Food Processing, Marketing and Co-operation

The Food Processing, Marketing and Co-operation (FPMC) was designed to promote sustainable and profitable food production throughout Scotland by ensuring that Scottish food manufacturers and retailers were equipped to respond to change. The aim was to support more sustainable economic growth of the food industry through greater co-operation and collaboration from primary production to final market, ensuring the long term viability of primary producers, and increasing export markets for Scottish produce. This would result from a thriving food industry where local communities would flourish and become better places to live through improved access to amenities and services. FPMC also aimed to encourage innovation and new product development enabling food manufacturers and retailers to respond to changes in consumer demand for more affordable, healthier food options. FPMC was open to anyone involved in the production chain, e.g. primary producers, processors, retailers, and food service operators, with the co-operation element supporting involvement with scientific research or academic institutions. FPMC was funded under Measures 123: Adding value to agricultural and forestry products and Measure 124: Cooperation for development of new products processes and technologies.

Application Process

Applicants were required to complete a paper application and in some cases applicants required help to complete some or all of it from an agent or consultant. Satisfaction with the application process in general was high.

Appraisal Process

An NPAC (National Project Assessment Committee) meet quarterly to assess applications using a clearly defined scoring regime with

weightings against key topics. Decisions were minuted and the process was seen to be transparent.

The NPAC members represented a range of national bodies and industry representatives including Scottish Enterprise, National Farmers Union Scotland (NFUS), Scottish Agricultural Organisation Society (SAOS) and Scotland Food and Drink. Each application was pre-assessed by consultants and in-house economists to generate the analysis required by the NPAC.

Monitoring and Claiming Procedures

All projects were audited on completion and beneficiaries felt that although the level of information requested was very detailed, due to the high sums of money involved the information required seemed reasonable.

1.5 Land Managers Options

Land Managers Options (LMO) provided support for the provision of economic, social and environmental improvements across Scotland. Land managers could apply for funding for a range of options under LMO up to a maximum allowance for the business. Some options required a five year commitment and compliance with Good Agricultural and Environmental Conditions and Statutory Management Requirements. Others were for one year. LMO were non-competitive and open to all land managers with land in Scotland. LMO contributed to 12 Measures across Axes 1, 2 and 3.

Application Process

The LMO Scheme was managed by SGRPID and application and claim processes were facilitated through its 16 area offices.

As part of the Integrated Administration and Control System (IACS) pack, Information about LMO is made available as part of the IACS pack and online. Given the breadth and scale of the scheme, detailed guidance was made available on the twenty-two options within the scheme along with eligibility criteria and relevant financial support specifications for each of these LMO options.

In addition to the LMO application form, all participants with land-based activity were required to submit an IACS Single Application Form (SAF). The application form was able to be completed electronically or in hardcopy format.

Appraisal Process

LMO was not a competitive scheme, it was based on eligibility criteria and applying for the options. As such the application form represented a contract between the applicant and SGRPID to undertake the Options that were selected. Applicants received an acknowledgement letter and commitments started from the application's submission deadline.

Monitoring and Claiming Procedures

Only applicants that received funding for non-land based options needed to complete a claim form, which was due by the end of August of each year. Recipients of LMO awards for land-based activity received payments automatically by the end of the Scheme year. All payments will be made in arrears, after the relevant activities have been completed.

1.6 LEADER

LEADER was part of the SRDP that aimed to promote economic and community development within rural areas. LEADER was a bottom-up method of delivering support for rural development through implementing a local rural development strategy. Support was aimed primarily at small-scale, community driven projects that were pilot and innovative in nature.

The aim of LEADER was to increase the capacity of local rural community and business networks to build knowledge and skills, and encourage innovation and co-operation in order to tackle local development objectives. LEADER accounted for around 5% of the total SRDP allocation. Funding was awarded by Local Action Groups (LAGs) who took decisions on projects which were community driven and had a wide community benefit. These LAGs were a partnership made up of representatives. There were 20 LAGs which covered around 95% of rural Scotland with quality local rural development strategies.

Application Process

Applications to LEADER varied slightly between each of the 20 LEADER groups. A number of groups had a two stage application process where a short summary of the proposed project was submitted to the decision making body of the LAG to consider in principal. This process was intended to help beneficiaries ensure their ideas met the strategic priorities of the LAG before embarking on a time consuming full application. There was a considerable amount of support from LAG -co-ordinators to help applicants with completing their application.

Appraisal Process

Detailed applications were submitted to be considered by the decision making bodies of each of the LAGs. Each member of the LAG scored the projects and in most cases these scores were used as a basis for discussion on whether the applications were to be approved. It was common practise for applicants to provide further information, where clarification was required.

Monitoring and Claiming Procedures

LEADER beneficiaries were able to submit multiple claims per project, with payments being made in arrears. One of the reasons for this was to aid cash flow within projects, which were very often community based and therefore had limited access to finance. In some cases delays in payments caused projects considerable difficulties.

Monitoring and reporting have been discussed in Chapter 2 of the main report where the difficulties were highlighted. Projects were required to report outcomes as agreed in their letters of offer.

1.7 Less Favoured Area Support Scheme

The Less Favoured Area Support Scheme (LFASS) aimed to contribute to the maintenance of the countryside, and viable rural communities, by ensuring continued agricultural land use and to maintain and promote sustainable farming systems. It did this by compensating the farmers and crofters who farm in the most disadvantaged areas of Scotland with annual area-based payments. LFASS was a single measure scheme, exclusively contributing to Measure 212: Payments to farmers in areas with handicaps, other than mountain areas.

Application Process

LFASS applications were made via the SAF mechanism of the Single Farm Payment Scheme (which was operated outwith the remit of the SRDP), i.e. there is no separate application or claim form for LFASS. Applications and claims are based on a once-a-year cycle.

The applicant was required to declare all eligible LFA forage land and provide detailed information on livestock. Guidance notes were available and explained the various calculations to assess the LFASS award values in detail.

Appraisal Process

There was no appraisal process, it was based on eligibility criteria including:

- Land categories: More disadvantaged/less disadvantaged land;
- Maximum stocking units and livestock units;
- Grazing category values;
- Eligible/ineligible dairy land; and
- Enterprise mix and cattle percentage.

Monitoring and Claiming Procedures

Annual LFASS claims were included in the SAF. Payments were aimed to be made in January of the following year.

1.8 Rural Priorities

Rural Priorities was an integrated funding mechanism which delivered targeted environmental, social and economic benefits. It was a competitive mechanism to ensure that contracts were awarded for the proposals, which were best able to deliver the agreed regional priorities. PR contributed to 18 Measures across Axes 1, 2 and 3.

The RP scheme was managed and delivered via 11 Regional Proposal Assessment Committees (RPACs) jointly managed by SGRPID, Scottish Natural Heritage (SNH) and FCS.

The main role of the RPACs was to:

- raise awareness and promote uptake of the RP Scheme;
- facilitate and advise on the application process; and
- support the appraisal procedures.

Application Process

Application for RP was done entirely online and was very complex, in most cases requiring support from agents or consultants. Case officers were available in the regional offices to provide limited support. Applications were submitted to the appropriate RPAC to be assessed at various national 'rounds'.

Appraisal Process

Applications were screened and scored by regional Case Officers and if they met the required level were forwarded to the RPAC for consideration. The basis of the scoring was intended to be to assess the proper regional priorities and needs, however this ambition was not always met. A key issue in the appraisal process was the insufficient management information and monitoring data to enable RPACs to make informed decisions.

Monitoring and Claiming Procedures

Monitoring and claiming was again done on line and in a high percentage of cases required support from agents or contractors, with payments being made in arrears. Satisfaction with the speed of payments was relatively low at the mid-term stage, however processes were put in place to speed up payments later in the programme.

1.9 Skills Development Scheme

The Skills Development Scheme (SDS) offered support towards the development and delivery of group skills development initiatives for land managers (including farmers, crofters and foresters). The SDS provided an opportunity to secure a contribution towards the funding of new initiatives aimed at improving land managers' business or countryside management skills. It was aimed at bodies that represent farming, forestry and other land management industries, or were closely involved with promoting the development of land and business management skills within these industries. The SDS aimed to build on the success of industry-led or inspired initiatives such as Monitor Farms and Planning to Succeed by providing a dedicated support mechanism. SDS was a single measure scheme and delivered the majority of Measure 111: Vocational training and information actions.

Application Process

Application forms were done in hard copy and submitted to the Project Assessment Committee for consideration. Applications were normally submitted by larger organisations, who were responsible for the delivery and monitoring of the projects but not the final beneficiaries.

Appraisal Process

Applications were considered on value for money, available funding and the level of industry buy in.

Monitoring and Claiming Procedures

Claims and monitoring reports were done by the organisations managing the projects, rather than the end beneficiaries themselves. All claims were paid in arrears, which was problematic for one of the smaller training organisations.