

## **Written response from Scotland's Rural College (SRUC)**

[This is the SRUC's response to the Scottish Government's consultation on the Scotland Rural Development Programme (SRDP) 2014 – 2020, Stage 2: Final Proposals]

### **SECTION 4: BUDGET FOR SRDP 2014-2020**

#### **Question 1**

*How would you rate your satisfaction with the budget as a whole?*

#### **Quite satisfied**

*If you are dissatisfied, please briefly outline your reasons*

SRUC is quite satisfied with the budget on the basis that:-

Decisions have been made and agreed to take 9.5% from Pillar I to achieve this level of spend, and therefore adjustments to the budget are now difficult to envisage.

The total budget for SRDP 2014-2020 at £1.329bn is less than compared with the headline of £1.6bn for SRDP 2007-2013, a net reduction of £0.27bn or nearly 17%. However, this budget reduction is intended to provide a realistic balance between Pillars I and II.

The management of the budget on an annual basis (paragraph 88) permits the movement of funds from one year to the next, particularly where funds are underspent in a particular year and perhaps in a particular area. If, however, paragraph 88 means that a fixed annual spend is to be allocated in each year, then the lack of flexibility in such an arrangement would be of concern.

Prudent management of the budget allocation from year to year will be required. It will also be appropriate that communication of the main areas of available funding at each stage of the SRDP is provided to all claimants/applicants.

Paragraph 91 means that if schemes/priorities do not spend up to the expected levels then Scottish Government will use the opportunity to change the profile of the budget during the life of the Programme, thereby returning the funds to the programme for others to apply for. This will achieve optimal spend of the total budget.

### **SECTION 5: RURAL REGIONAL DELIVERY PARTNERSHIP FOR LAND BASED INVESTMENTS**

#### **Question 2**

*Are you broadly satisfied with the new application and assessment process for land based investments outlined in Section 5?*

#### **Very satisfied**

*If you are dissatisfied, please briefly outline your reasons.*

SRUC is very satisfied with the new application and assessment process for land based investments outlined in Section 5.

A common application form for all land based investment schemes is welcomed with competitive applications enabling better value for money projects to be selected with ability to focus on regional priorities remaining. Level 1 applications – the £75,000 (and £750,000 for forestry) limits are probably about right and the lack of application tranches is welcomed and less likely to lead to delays of worthwhile projects. For Level 2 it is encouraging that the expert panel will meet as required as this may avoid long delays between applications and approvals, and hence project lead in times (it is worth noting that specific application tranches can also lead to time pressures for consultants as businesses scramble to get applications in before deadlines).

The assessment network is wholly appropriate, but it should be made clear that assessment visits (paragraph 116) are not designed to aid them develop their application. The application limits appear wholly reasonable, but the issue of a timing surrounding a resubmitted application may need clarification. We are encouraged that the funding pipeline (paragraph 118) has been acknowledged, but this may prove aspirational in reality. Improved customer support by delivery partners would be most welcomed. The targeting of funds appears appropriate but the Crofting and Small Grants Scheme (paragraph 126), if using Ha, may need an exclusion clause for intensive systems (i.e. poultry, pigs, horticulture).

## **SECTION 6: FUTURE SUPPORT FOR LESS FAVOURED AREAS**

### **Question 3**

*Should support for farmers operating in constrained areas be continued through the SRDP?*

### **Yes**

Support for constrained areas should continue to be funded through the SRDP. This will be important as adjustments to direct support payments are made during the programming period. This is particularly the case for farming systems (e.g. beef) where the consequences of regionalised payments may have significant impacts on the direct support they receive. Perhaps with the introduction of ANCs in 2018 there will be an opportunity to take stock of the overall direct payment and LFASS/ANC support picture in Pillars 1 and 2. For instance, if the regional payment model chosen in Pillar 1 allows for some delineation of different qualities of grazing and there is a robust activity measure, this may enable Pillar 1 regional rates to be adjusted to account for LFASS/ANC support. This would enable this element of support to be directed through Pillar 1 direct payments freeing up some of the Pillar 2 budget for other rural development priorities.

## **SECTION 7: NEW ENTRANTS SCHEME**

### **Question 4**

*How would you rate your satisfaction with the proposals for the New Entrants Scheme?*

#### **Very satisfied**

*If you are dissatisfied, please briefly outline your reasons*

SRUC is very satisfied with the proposals for the New Entrants Scheme.

The proposed New Entrant measures, in combination with potential assistance through the Crofting and Small Farms Support Scheme, the Knowledge Transfer and Innovation Fund, the Advisory System and the Pillar 1 new entrants top up, represent a comprehensive support package for new entrants.

Previous experience of young entrant schemes has encouraged intergenerational renewal, which in the crofting schemes can only be viewed as positive.

## **SECTION 8: CROFTING AND SMALL FARM SUPPORT SCHEME**

### **Question 5**

*Should the scheme be expanded to provide capital support to small farms?*

#### **Yes**

### **Question 6**

*Is a 3 to 50 hectare range appropriate for defining a small land holding?*

#### **No**

### **Question 7**

*Do you agree with the proposal for grants of £500 to be available to assist the establishment of Grazings Committees?*

#### **Yes**

*If No, please explain why*

Q7: SRUC agrees with the proposal for grants of £500 to be available, although the scale of the fee is low for a professional service.

Q5: SRUC agrees that the scheme should be expanded to provide capital grants to small farms. However, the budget allocations could create difficulties. Previously, only 13,000 crofters had access to this funding stream. The situation going forward will see 37,000 businesses being eligible for support under this measure, with only a modest movement in the total budgetary allocation.

Q6: SRUC does not agree that a 3-50 ha range is appropriate for defining a small land holding as this is too blunt a measure. A better definition of eligibility is needed, which should factor in remoteness and access to markets.

### **Question 8**

*How would you rate your broad satisfaction with the proposals for the Crofters and Smallholders Scheme?*

#### **Quite dissatisfied**

*If you are dissatisfied, please briefly outline your reasons.*

SRUC is quite dissatisfied with the proposals for the Crofters and Smallholders Grant Scheme.

The Scheme uses a simple land area demarcation, which is too blunt a measure to determine eligibility. 50 ha in the Highlands has nowhere near the economic output of the lowlands, yet both will have access to the same funding stream. Some measure of economic activity needs to be incorporated into the eligibility parameters.

Without such a measure, economically active units in the Highlands, which will tend to exceed the 50 Ha rule will be excluded whilst less active units elsewhere will have access.

The actual intervention grant rates and the various scales of supplement are also at levels which are workable. The only concern is that the budgeted allocation per business is quite low and the higher costs in the remoter areas will dilute the impact of intervention.

## **SECTION 9: AGRY-ENVIRONMENT-CLIMATE SCHEME**

### **Question 9**

*How would you rate your broad satisfaction with the proposal for the Agri-Environment-Climate Scheme?*

#### **Quite dissatisfied**

*If you are dissatisfied, please briefly outline your reasons.*

SRUC is quite dissatisfied with the proposal for the Agri-Environment-Climate Scheme.

We appreciate the difficulties in timings which have bedevilled the CAP reform process at a European level. Nevertheless there are still too many unknowns at this point in time with regard to implementation at the Scottish level. Hence it not feasible to make any robust assessment as to whether or not the proposed Agri-Environment-Climate Scheme will actually result in any real environmental benefits.

The way both Pillar 1 and Pillar 2 are implemented will have a major influence on how successful the proposed Agri-Environment-Climate Scheme will be. Clearly the decision made in December 2013 to transfer only 9.5% of funding from Pillar 1 to

Pillar 2 has placed limitations on the amount of budget available for the Agri-Environment-Climate Scheme. Just as importantly, the fact that no decision has yet been taken with regard to how Greening will be implemented in Pillar 1 means that it is not possible to assess how much the approach taken to Greening will actually complement the actions taken under the proposed Agri-Environment-Climate Scheme.

The consultation document recognises that the 'continuing loss of biodiversity on farmed land' is a major issue in Scotland (as elsewhere in Europe). It is therefore surprising that no mention is made in paragraph 189 with regard to how the proposed Agri-Environment-Climate Scheme will help the Scottish Government meet its targets for biodiversity as set out in the revised Scottish Biodiversity Strategy. As that Strategy highlights, appropriate implementation of both Pillar 1 and Pillar 2 measures will be required if the reformed CAP is to help address farmland biodiversity concerns.

The consultation document highlights that there is a need to ensure that measures under the proposed Agri-Environment-Climate Scheme are targeted better in order to increase the likelihood of having environmental benefits. This is very welcome and we are very pleased to be a member of the Biodiversity Targeting Working Group which is investigating how best to target the different measures. However, the fact that the approaches taken to help with targeting are still in development means that it is difficult to make any assessment at this stage as to how effective those approaches are likely to be in practice.

Being a member of the Biodiversity Targeting Working Group, we are also aware of the large amount of work being conducted by the other Working Groups assessing which measures to include in the Agri-Environment-Climate Scheme. The majority of the measures included do have the potential to have environmental benefits if applied at the right scale in the right places. In particular, measures such as those in the arable and grassland sections of the Scheme are very focused and thereby specific in what they are seeking to achieve.

However, as we have highlighted separately in discussions in the Working Group, we are concerned that the measures for Upland & Moorland Management currently remain very broad, particularly with regard to what the anticipated biodiversity/environmental benefits will be. If this remains like this, it will not only mean that it may be more difficult to decide where best to implement such measures, but it also means that assessing whether or not those measures have actually had any benefits will be difficult. The Scottish Government will clearly be keen to assess in the future the cost-effectiveness of all the measures within the new Agri-Environment-Climate Scheme. We suggest that if the biodiversity/environmental goals of the Upland & Moorland Management measures are not made more explicit, then any future assessment of cost-effectiveness of those measures will be difficult to achieve.

We understand that Scottish Government is giving additional thought as to how best to target upland measures to particular habitats/species. We welcome this and encourage them to continue to investigate this.

From a farmer perspective, an Agri-Environment-Climate Scheme webpage listing options for potential applicants according to location would be very helpful but, as indicated above, may be difficult to develop. In addition, the options listed in Annex C are very limited and for many farming businesses, do not create viable opportunities to participate.

Given the importance attached to conservation and sustainable use of genetic resources for agriculture in the overarching EU legislation, it would be helpful to see more emphasis on that here. In particular, it would help to explicitly make it clear that NGOs/SMEs are eligible for RDP support for measures to support conservation and sustainable use of farm animal genetic resources (FAnGR). It would also be worth evaluating the use of RDP or other measures to incentivise FAnGR use that supports policy aims (including reducing GHG emissions, enhancing sustainable economic growth...) as is being trialled in the Republic of Ireland, in support of their Food Harvest 2020 initiative.

## **SECTION 10: FORESTRY GRANT SCHEME**

### **Question 10**

*It is proposed to support forestry under six main areas as outlined below. Please identify whether you agree with these broad areas.*

**Woodland Creation:**

Yes, should be included

**Agroforestry:**

Yes, should be included

**Tree Health:**

Yes, should be included

**Woodland Improvement Grant:**

Yes, should be included

**Process and marketing:**

Yes, should be included

**Sustainable Management of Forests:**

Yes, should be included

### **Question 11**

*We propose nine woodland creation options with support through standard costs. Please identify whether you think these options should be included (Yes) or excluded (No)*

**Conifer:**

Yes, should be included

**Diverse Conifer:**

Yes, should be included

**Broadleaves:**

Yes, should be included

**Native Scots Pine:**

Yes, should be included

**Native Broadleaved W4:**

Yes, should be included

**Native Broadleaved Other:**

Yes, should be included

**Native low density:**

Yes, should be included

**Small or Farm Wood:**

Yes, should be included

**Northern and Western Isles:**

Yes, should be included

**Question 12**

*Are there any other woodland types that should be supported? If Yes, please specify*

**No**

There should be scope in crofting areas for small-scale woodland creation.

**Question 13**

*Should the Central Scotland Green Network be allowed an 'Additional Cost Contribution'? If No, please briefly explain your reasons*

**Yes**

**Question 14**

*What is your preferred option for Income Foregone (IF) in SRDP 2014 - 2020? Please click on 'More information' below to view the 3 options*

**Option 2**

*Please explain your choice*

Option 1 is administratively most difficult. Option 2 probably is the best option as it allows maintenance payments which are non taxable plus Pillar 1 payments.

**Question 15**

*It is proposed to support woodland creation through other means. Do you agree with the range of 'other support' for woodland creation?*

**Tree shelters and fencing:**

Yes, include

**Improved stock for Sitka Spruce:**

Yes, include

**Bracken contribution:**

Yes, include

**Community woodland:**

Yes, include

**Question 16**

*Should agroforestry be funded through the SRDP 2014-2020?*

Yes

**Question 17**

*Should tree health be funded through SRDP 2014-2020?*

Yes

**Question 18**

*Do you agree with the range of Woodland Improvement Grants?*

**Long term forest planning - new:**

Yes

**Long term forest planning - renewal:**

Yes

**Reducing Deer Impact:**

Yes

**Woodland Habitats and Species:**

Yes

**Restructuring Regeneration:**

Yes

**Non- Woodland Habitats and Species:**

Yes

**Natural regeneration:**

Yes

**Woodlands In and Around Towns:**

Yes

**Question 19**

*We propose to offer support to forest owners, micro-enterprises and SMEs for investments which enhance forestry potential or relate to processing and marketing, or adding value to forest products. Should these areas be supported through the SRDP?*

**Small scale premium processing sector:**

Yes, should be included

**Equipment to increase harvesting in under-managed woods:**

Yes, should be included

**Equipment to increase capacity for steep ground harvesting:**

Yes, should be included

**Question 20**

*We propose six Sustainable Management of Forest Options. Do you agree with the range of Sustainable Management of Forest grants?*

**Native Woodlands:**

Yes, should be included

**Low Impact Silvicultural Systems (LISS):**

Yes, should be included

**Public Access:**

Yes, should be included

**Public Access WIAT ((woods within 1 km of settlements with a population of over 2000 people):**

Yes, should be included

**Livestock Removal:**

Yes, should be included

**Woodland Grazing:**

Yes, should be included

**Question 21**

*How would you rate your broad satisfaction with the proposals for the Forestry Scheme*

**Neither satisfied nor dissatisfied**

*If you are dissatisfied, please briefly outline your reasons.*

Q21: SRUC is neither satisfied nor dissatisfied with the proposals for the Forestry Scheme.

Q10: SRUC supports the six main areas. However, the rationale in paragraph 218 where the FC should deliver 500ha of new planting does not offer best value for money and puts it in direct competition with the private sector for land suitable to be planted. This has been demonstrated locally by the FC paying seemingly very high prices for land against which others have found it difficult to compete.

Q15: SRUC agrees with the range of 'other support', especially the tree shelter and fencing which are the biggest cost in any scheme and the bracken contribution as this will bring more land into the mix especially in the west where bracken cover has been increasing over the last few years. Public planting for public access in the remoter parts could be further encouraged if the criteria within the Highlands was reduced to populations over 200.

Q17: SRUC agrees with funding tree health through SRDP 2014-20, but should it be coming out of the same pot of money? This takes away money from the important work of woodland creation which is the government target and surely this type of work would be covered by their woodland insurance.

Q19: SRUC agrees that these areas should be included as they offer opportunities for farm diversification.

## **SECTION 11: SUPPORT FOR CO-OPERATIVE ACTION**

### **Question 22**

*How would you rate your broad satisfaction with the proposals for co-operation?*

#### **Neither satisfied nor dissatisfied**

*If you are dissatisfied, please briefly outline your reasons.*

SRUC is neither satisfied nor dissatisfied with the proposals for co-operation.

The concept seems logical however the absence of details of what specific areas and themes are to be targeted (paragraph 258), makes it difficult to properly assess the proposal. Careful management will be required to ensure funds are not over-allocated to projects which may be backed by Government and some delivery partners but which are unlikely to be sufficiently supported by the land managers in question.

## **SECTION 12: NON-AGRICULTURAL BUSINESS SUPPORT: SMALL RURAL BUSINESS SUPPORT**

### **Question 23**

*How would you rate your broad satisfaction with the proposals for Small Rural Business Support?*

#### **Quite satisfied**

*If you are dissatisfied, please briefly outline your reasons.*

SRUC is quite satisfied with the proposals for Small Rural Business Support.

We are pleased that support for farm diversification will be continued, particularly as there has been a funding hiatus for many sound proposals that need support in recent years. It is also encouraging that non-agricultural business and social enterprises can be supported in the creation / diversification of their activities. We do have concerns that support to existing businesses will be limited to activities never carried out by the enterprise in question at the time of applying for support.

Our concerns lie with the fact that this will exclude growing businesses, particularly those that have taken small steps to “test the water” and grow their business slowly, yet still face considerable risks during the growth phase of their business (where a large proportion of businesses fail). Whilst we largely support the types of eligible support we raise questions regarding the rationale for supporting renewable energy

production (paragraph 269) given the available incentives, and the confusion encountered from Rural Priorities and FITs during the early part of the SRDP 2007-2013 programme. We also voice concern that there appears to be no support for agricultural diversification (e.g. meat goats, bison, non-food crops) where there are often significant business risks and bespoke capital equipment requirements.

### **SECTION 13: NON-AGRICULTURAL BUSINESS SUPPORT: FOOD AND DRINK**

#### **Question 24**

*Should the Scottish Government continue to give significant support to the food and drink sector?*

**Yes**

#### **Question 25**

*Should selection criteria such as those listed below apply to the Food and Drink Scheme?*

**Contribution to the Scottish Government's overall strategies for economic development and the rural economy:**

Yes

**Making a contribution to national policies for food and drink:**

Yes

**Assisting the Scottish Government with its wider social policies:**

Yes

**Supporting export targets for food and drink sectors:**

Yes

#### **Question 26**

*Should steps be taken to streamline processes for food companies including a one stop shop for public support?*

**Yes**

#### **Question 27**

*How would you rate your broad satisfaction with the proposals for Food and Drink support?*

**Quite satisfied**

*If you are dissatisfied, please briefly outline your reasons.*

Q27: SRUC is quite satisfied with the proposals for Food and Drink Support, although more clarification of the measures would require to be made.

Q24: The Scottish Government should continue to give support to the food and drink sector, at the same level and through similar funding mechanisms.

Q26: A one-stop-shop for food and drink companies would be advantageous, although this may be better through Scotland Food & Drink rather than Enterprise Agencies, where access tends to be from larger scale food and drink companies.

## **SECTION 14: LEADER**

### **Question 28**

*How would you rate your broad satisfaction with the proposals for LEADER?*

#### **Quite satisfied**

*If you are dissatisfied, please briefly outline your reasons.*

SRUC is quite satisfied with the proposals for LEADER.

There is no mention made of how to work with hard-to-reach groups and communities. Two LEADER LAGs (Dumfries and Galloway, and Ayrshire [in East, North and South Ayrshire]) have devised programmes to deal with this part of social and economic inclusion. It would be good if Government could strongly encourage the LDS to include targeting of those who would not otherwise benefit. Otherwise it is only those with the capacity to engage with LEADER who will be able to develop plans, projects etc., meaning those who cannot do so will be left behind.

Also, although the private sector is mentioned, there is no outlining of how LDS development should specifically encompass the private sector in supporting the greater emphasis on economic development in the new Programme. There have been difficulties in LEADER working with individual private businesses; however, more guidance needs to be given as to potential initiatives which genuinely lead to partnership working to achieve the wider targets under the new Programme.

Although the National Rural Network is discussed elsewhere (Qus. 32-34), it would help to refer to it here, again asking that LEADER LDSs show how they will set up activities and forums for shared learning. The previous programme has not made as much use as possible of examples and learning from these across Scotland, i.e. between LAGs. The emphasis is on transnational exchange and although this is crucial/vital, the in-Scotland exchange and learning is also critical and needs to be integrated into LDSs.

## **SECTION 15: KNOWLEDGE TRANSFER AND INNOVATION FUND (KTIF)**

### **Question 29**

*Do you agree with the range of options listed below which are being included within the KTIF scheme?*

#### **Skills development:**

Yes

#### **Vocational training:**

Yes

#### **Monitor farms:**

Yes

**Setting up an EIP network:**

Yes

**Q30. How would you rate your broad satisfaction with the proposals for KTIF?**

Neither satisfied nor dissatisfied

*If you are dissatisfied, please briefly outline your reasons.*

SRUC is neither satisfied nor dissatisfied with the proposals for KTE.

Work carried out by SRUC's Innovation and Behaviour Change team has indicated that the suggested KT options often fail to reach a broad range of individuals, but rather a select group of those who tend to engage with these types of activities. Broadening the reach of KT requires activities which incorporate a wider variety of individuals and organisations which make up the innovation systems in question. These must take into account local conditions and the pressures of time/availability.

Increasing importance has been attached to knowledge transfer and exchange policy and practice in Scotland (and elsewhere) recently. This is reflective of developments at European level including the creation of the European Innovation Partnership (EIP) with its strong linkages to the RDP and to the Horizon 2020 research programme.

Within Scotland, this increased interest is reflected in a variety of successful activities. These include Monitor Farms, for example, where the numbers attending the meetings continue to increase as individuals come to appreciate the benefits of this approach.

However, we feel that many of the options outlined in Section 15 are more reflective of somewhat outdated technology transfer approaches, and that much more could be done to promote and encourage novel and collaborative innovation and KTE.

In order that the resources can be used most effectively we suggest that beyond the advisory hub there must be a greater role for the EU concept of technology and innovation translators. In these circumstances, a few key organisations would take a strategic view of how key innovative campaigns or measures would be brokered across broad and diverse areas of Scotland. Small, individual pockets of innovation and KTE bring positive benefits to some communities but in this programme we should seek to make step changes and improvements across multiple audience groups. Training activities can play a useful part in KTE but innovations should be founded in research that is relevant to agriculture and rural audiences and bring about behavioural change at significant scales.

Organisations such as SRUC, the other main research providers and universities involved in Innovation Scotland, must demonstrate their capacity and ability to lead KTIF beyond the coverage in this consultation.

A further uncertainty is just how Scottish KTE leads will work or be involved with the European Innovation Partnership (EIP). Given the modest allocation of £10M to KTIF in Scotland, we require to lever new and additional funding via collaboration.

Further information on SRUC's perspective on innovation and KTE (including our top ten guidelines for securing an effective innovation and KTE policy) can be found in a recent policy briefing available via our Rural Innovation page ([http://www.sruc.ac.uk/info/120292/rural\\_innovation](http://www.sruc.ac.uk/info/120292/rural_innovation)).

## **SECTION 16: ADVISORY SERVICE**

### **Question 31**

*How would you rate your broad satisfaction with the proposals for the Advisory Service?*

#### **Neither satisfied nor dissatisfied**

*If you are dissatisfied, please briefly outline your reasons*

SRUC is neither satisfied nor dissatisfied with the proposals for the Advisory Service.

Introduction: (paragraphs 324 and 325)

It is agreed that effective advisory services are a significant contributor to economic and environmental outcomes. For example, between 2009 and 2012, SAC Consulting (a Division of SRUC) assisted nearly 2,500 applications to the Rural Priorities Scheme, 79% of which were successful. This resulted in funding worth £229 million for improving agricultural competitiveness, maintaining and enhancing the natural environment, and improving quality of life in rural areas.

It is also agreed that advice that is both targeted and locally delivered can be more effective in delivering advisory services that achieve impact. Local advice must be based on local knowledge of local issues/circumstances coupled with a national understanding of the objectives and outcomes. It is not just the point of delivery that needs to be local, as the advice is more credible if it truly references local circumstances. SAC Consulting, for example, delivers specialist advice and other services to farmers and crofters through its network of 23 Farm Business Service offices across Scotland.

Credible advice is practical and relevant and therefore readily taken up and implemented. Credibility needs to be earned and demonstrated, but where credibility already exists, the delivery will be more effective more quickly than if taken from a standing start (i.e. no track record) or if negative credibility exists (i.e. poor track record). It is worthy of note that SAC Consulting has employed KTE and other extension methods for more than 100 years. In addition, SAC/SRUC has direct access to a world class research programme plus an education and skills division that delivers access to PhD level courses across the geography of Scotland. The benefits of these attributes to the Scottish industry are unrivalled and are openly admired by other parts of the UK and by other countries across Europe.

It is agreed that an expanded advisory service with increased capability is a desirable goal. Expansion should be both in terms of the range of topics as well as the numbers of accredited advisers available to undertake the delivery. The likely increased cost in providing this expansion is recognised.

For the provision of advice targeted on key topics to deliver improved business performance as well as environmental enhancements and climate change impacts the advice will need to be delivered to as many practitioners as possible though both one-to-one and one-to-many mechanisms as proposed.

The principle of a co-ordinated delivery with co-ordination through a Scottish Government hub, means that Scottish Government will indeed have a clear view of the service delivery, but care is needed to ensure that the independence of the advisers and specialists and the confidentiality of the adviser:client relationship is assured particularly in the one-to-one delivery of ILM and other specialist advice.

A strong brand identity for the hub will ensure that all potential users of the advisory service will know where to go for that first point of contact and subsequent signposting.

Purpose: (Paragraph 327)

In our view robustness will be achieved by creating an advisory service based on professional advisers with local knowledge and experience who can operate in the knowledge of funding streams (for both one-to-one and one-to-many delivery) that provides them with stability in the medium term. A funding mechanism based on a series of short-term funding decisions with no longevity does not create robustness and is less likely to allow the creation of professional relationships between advisers and their rural clients that are most effective in achieving the outcomes desired from the Farm Advisory Service.

How it will work (Paragraphs 328 – 334)

The current advisory provision is described as “too fragmented”. This comment reflects the number of agencies and organisations who provide “guidance and advice” in the rural sector. The co-ordination expected through the hub will require the hub to actively work with all of the key agencies and stakeholders to ensure that these advisory service organisations do not duplicate nor contradict. This is especially relevant in the national one-to-many delivery, where a co-ordinated delivery by a single supplier will reduce the risk of overlap or contradiction.

A range of mechanisms is proposed for the hub to deliver advice to farmers and crofters. Care needs to be taken not to place Scottish Government in the position of being both adviser and enforcer at the same time as these roles clearly carry the potential for a conflict of interest. The mechanisms proposed do not generally imply the provision of detailed advice to farmers and crofters, however, advisory delivery by case officers and the operational customer service would run the risk of creating a potential conflict between advisory and enforcement roles.

The need for accreditation to ensure that competent, well trained and informed advisers operate in both the one-to-one and one-to-many delivery mechanisms is accepted. Accreditation must be relevant to the intended delivery and should recognise the abilities and training in communication skills as well as technical knowledge.

The concept of generalist and specialist advisers is accepted, but it is suggested that all general advisers should be capable of providing advice on improving farm business efficiency and effectiveness where Diagram D currently presents these as separate. It is also suggested that many advisers will have dual classification with a general capability matched with a specialist area of knowledge, and this will need to be recognised in the accreditation procedures.

The intent to procure the one-to-many sub-programme is noted. It is suggested that in procuring this the advisory hub is established in advance and has a key role in defining and procuring the deliverer(s). It is further suggested that the delivery of the one-to-many sub programme will be more easily managed and coordinated the fewer sub projects and deliverers there are.

The KTIF events promotion through a single hub is considered desirable, but will require to be complemented by additional promotional activity by the facilitating organisation. The rules on the eligibility of applicants to KTIF should be broadened to encourage a larger number of proposals.

Building on its long experience and combination of local, specialist and general expertise - drawing on our local consultants, the Farming for a Better Climate and Monitor Farms programmes and involvement in the Diffuse Pollution Management Advisory Group, for example - we envisage that SRUC/SAC Consulting will have a very important role to play in the future delivery of advisory services, and in supporting ongoing innovation and KTE, to increase both the competitiveness of Scotland's agricultural sector and the sustainability of its rural communities.

Timescales (paragraph 335)

The time line is noted and this appears to agree with the proposal that the hub is established ahead of service procurement. The procurement of or the establishment of the accreditation procedures will either have to be established and available for implementation by the start of the SRDP, or will have to be developed over the same time as early delivery. Consideration may be needed as to whether £200,000 is sufficient to deliver comprehensive adviser training over the three year period.

Please see our response to Section 21 'Other Comments' for further information outlining SAC Consulting's expertise and experience. This information was also submitted as part of our response to the Stage 1 SRDP consultation, but we feel it remains highly significant to informing this Stage 2 consultation.

## **SECTION 17: SCOTTISH RURAL NETWORK**

### **Question 32**

*Do you think the tasks set out below are the most appropriate ways for the SRN to add value to the implementation of the SRDP?*

**SRN website:**

Yes, should be included

**Gathering of good programme examples:**

Yes, should be included

**Disseminating information to the public:**

Yes, should be included

**Organisation of events:**

Yes, should be included

*Are there other activities or services you would like to see the Scottish Rural Network provide? Please specify*

In addition: (1) opportunities to engage with Scottish Government Rural Communities team, e.g. through a Q&A online, or at forums or events. (2) linking with the Rural Parliament.

**Question 33**

*Do you agree with the proposal to establish thematic working groups as an approach to supporting the Rural Development*

**Programme priorities?**

Yes

*If No, please explain your reasons*

SRUC agrees with the proposal to establish thematic working groups.

**Question 34**

*How would you rate your broad satisfaction with the proposals for the Scottish Rural Network?*

Very satisfied

*If you are dissatisfied, please briefly outline your reasons.*

SRUC is very satisfied with the proposals for the Scottish Rural Network.

**SECTION 18: COMMUNICATIONS**

**Question 35**

*How would you rate your broad satisfaction with the proposals for communicating the new Scotland Rural Development Programme?*

Neither satisfied nor dissatisfied

*If you are dissatisfied, please briefly outline your reasons.*

SRUC is neither satisfied nor dissatisfied with proposals for communicating the new SRDP.

This is entirely dependent upon the actual organisations that work with Scottish Government to construct the Advisory Services Hub and the sound management of this collegiate grouping. We also have some reservations regarding the approach to the KTIF (see question 30).

## **SECTION 19: MONITORING AND EVALUATION**

### **Question 36**

*Information used to monitor and evaluate the SRDP will be gathered from a mixture of data sources. Three key data sources required to capture monitoring and evaluation data are summarised in 'More information' below. We would welcome feedback on the approach outlined.*

Not all the measures can be described at this point and the fact that the EU has already listed 100 indicators would lead us to conclude that an outline such as Table 9 is appropriate at this time.

However, there needs to be an opportunity to evaluate the level of risk of failure for some measures versus the successful outcomes. In addition, clear explanations of the meaning of impact, compliance or performance should be made clear to successful applicants for funding.

### **Question 37**

*Are there any other data sources which could inform the impact of the programme?*

**Yes**

*If Yes, please specify*

It is still too early to consider other data sources that could inform impact. Outcomes from the 2014 REF exercise could inform research and KTE communities as to how impact is measured and perceived by referees of work undertaken.

### **Question 38**

*The Scottish Government has identified a number of gaps in the indicator requirements and has set out plans for addressing these gaps, outlined in 'More information' below. We would welcome feedback on the proposed approach to filling the gaps in the data (including other data sources) required by the European Commission.*

We would agree that there are a number of gaps in the indicator requirements relating to environmental quality, that are not being fully addressed by current research and monitoring activities.

Greenhouse gas emissions from agriculture Although research has identified agriculture and land use as a major source of national GHG emissions (over 20% of total emissions), there is no current or proposed monitoring in place to track changes in emissions from this source. Although national inventories provide a guide to emissions from the sector, they are insufficiently sensitive to attribute emission reductions to specific sectors or mitigation activities. The implementation of such a monitoring programme should therefore be seen as a high priority to achieve targets in GHG emission reduction set out in the Climate Change Act.

Water abstraction in agriculture We would agree that it should be possible to add this to capture this in the Survey on Agricultural Production Methods.

## **Water quality**

Methods currently being devised alongside SEPA's ongoing monitoring programme should be able to contribute to an assessment of effects of landuse on water quality, but additional expert interpretation of data is likely to be necessary.

## **Soil Quality**

The existing Land Use/Cover Area frame Survey is unlikely on its own to be useful in assessing soil quality. The National soils database and a range of other indicators linked to land use will be important, but it would be necessary to use expert advice to supplement these data sources.

## **Soil Erosion**

Soil erosion risk can be linked to various aspects of soil quality. The same data sources used to assess soil quality would therefore be important here, alongside expert judgement.

### **Question 39**

*Are there any other gaps that you wish to make us aware of?*

**No**

### **Question 40**

*Are there any other data sources which could help us fill the data gaps?*

**Yes**

*If Yes, please specify*

It is too early at this stage to be able to identify specific data sources to fill data gaps.

## **SECTION 20: IMPACT ASSESSMENTS**

### **Question 41**

*We would welcome comments on the BRIA*

No SRUC response

### **Question 42**

*We would welcome comments on the EQIA*

No SRUC response

## **SECTION 21: OTHER COMMENTS**

**If you have any further comments, please write them in the box below**

SRUC would like to submit the following additional comments in response to Q31 on Advisory Activity.

SRUC/SAC – A Century of Experience SRUC is very aware of the renaissance of interest in the contributions that innovation brokers, knowledge transfer and exchange, and advisory services can make to improving the delivery and competitiveness of agricultural and rural services. This is now recognised in the EU across the European Innovation Partnership (EIP) with linkage to RDP and the Horizon 2020 research programme. In addition, strong representation of KTE measures are to be found in the new UK Agri-Tech strategy and the Scottish Government's own strategic research programme (2011-16).

It is worthy of note that SAC Consulting (a Division of SRUC) has employed these KTE and other extension methods for more than 100 years. In addition, unlike many innovation brokers, state advisory services and subscriber-based organisations, SAC/SRUC has direct access to a world class research programme plus an education and skills Division that delivers from access to PhD level courses across the geography of Scotland. Importantly, in the face of declining budgets and increasing demands on our sector, the SAC/SRUC – derived advisory service is unique in delivering from one Scottish organisation specialist multidisciplinary advice, a national support platform and a policy responsive business ethos. Scotland has retained a country-wide approach to farm advisory and support services which is integrated through the work of SAC/SRUC while other countries have disbanded their integrated systems and lost the associated advantages. Thus, the benefits of these attributes to the Scottish industry are unique and unrivalled and are openly admired by other countries across Europe.

Our century of experience as the leading, independent advisory service for Scotland and the growth of SRUC has secured a strong platform that SRDP beneficiaries can use to address the needs of our industry. Our contemporary services are summarised below:

From 23 Farm Business Service offices, SAC Consulting, a Division of SRUC, delivers specialist advice and other services to farmers and crofters in Scotland.

Advisory Activities include:

- Consultancy services to small holders, crofters and farmers in Scotland's remote areas, funded through the Scottish Government Veterinary and Advisory

Service (VAS) programme.

- Advice, information and industry intelligence supplied to members of the SAC Consulting Subscription Scheme.

- Ensuring clients' IACS applications for CAP Single Farm Payments comply with regulations.
- Organising courses, on-farm demonstrations and other open invitation events.
- Training flock-masters to use SRUC's "Sheep Record Right" guide and comply with sheep identification rules.
- Helping deliver the Scottish Government New Entrants to Farming programme.
- Providing market intelligence and technical support to Scotland's organic farming sector.
- Producing technical publications such as the Farm Management Handbook and advice on farm woodland management, diversification, soil nutrient management and business efficiency programmes.

Research commissioned from economists and other SRUC specialists, including those from our Rural Policy Centre, informs decision making by policy makers and industry. Experts in the sciences of soils, livestock, crops, biodiversity and carbon management work to benefit farmers or inform national and global research programmes. Topics include the cost of a policy change, improving soil structure, new crop varieties, better animal welfare and reducing greenhouse gas emissions.

Our Impact on Agriculture and the Rural Economy Through consultancy activities founded in cutting edge research, we help our customers embrace innovation to become more competitive and sustainable. A team of more than 375 consultants, veterinarians, technicians and support staff are proud to deliver independent, quality and accessible services to more than 12,500 farmer, rural business, food processing and supplier markets. Our activities span the length and breadth of the UK.

Almost 7,400 clients subscribe to our Farm and Rural Business Services each year. The £1.7 million those customers invest in our advisory services results in annual benefits to their businesses valuing an estimated £7.9 million.

Consultancy and advice has not only a financial impact but also drives efficiency and supports innovation and the application of new technologies. We assist many farming clients in applying for financial support through the Common Agricultural Policy (CAP). In 2011, this resulted in approximately £189 million in support payments to Scottish farmers:

- We completed 6,000 IACS forms for Single Farm Payments through the CAP (more than a third of all Scottish applications), which resulted in payments to Scottish farmers of £163 million. Some 95% of IACS applications (ex SAC Consulting) were on line, this accounts for almost 50% of the total on-line applications across Scotland.
- Payments resulting from applications to the Scottish Beef Calf Scheme totalled at least £7.1 million.

- Applications for Less Favoured Area support payment through the CAP brought in £19 million to help sustain farming in disadvantaged areas.

In addition, we help our customers with applications for support through the Scotland Rural Development Programme (SRDP) competitive Rural Priorities scheme. Between 2009 and 2012, we assisted with nearly 2500 applications, 79% of which were successful. This resulted in funding worth £229 million for improving agricultural competitiveness, maintaining and enhancing the natural environment, and improving quality of life in rural areas.

## **Conclusions**

SRUC concludes that the significant positive impacts that our existing integrated advisory services have delivered (see above) can only usefully bring further benefits to the agricultural and rural sectors that we serve. The new SRDP policy environment may have complexity, however, we intend to lead potential beneficiaries in the sector to secure thriving, sustainable businesses and thus contribute to the Scottish Government's overall purpose of sustainable economic growth.

As noted above, the benefits of the integrated Scottish farm advisory and support services system are unique and openly admired. If changes are made to future SRDP arrangements which undermine the substantial benefits of the current system and its delivery mechanisms – not least its credibility and its local specificity - this is likely to have severe negative consequences for the competitiveness and sustainability of the land-based sector across Scotland, which may take years to rectify.