

Stability and Simplicity: Proposals for a Rural Funding Transition Period

Response from Scottish Land & Estates

August 2018

Overview

Scottish Land & Estates (SLE) is a membership organisation representing landmanagers and land based businesses. Our members have significant farming interests as well as well as substantive involvement in other activity underpinned by CAP regulation and funding. Our members, and the organisation, are committed to helping rural Scotland thrive.

Where do we want to be in 2030?

Our Vision: Profitable land-based businesses contributing to resilient rural economies whilst protecting and enhancing the environment.

Integrated land use policy

SLE would like to see an integrated approach to land use that aims to get the most out of the land to the benefit of all. For too long a sectoral approach has been taken which has resulted in farming, forestry, conservation and moorland management operating separately. Land use policy frameworks should help break down the silos rather than reinforce them.

Enhancing profitability

SLE believes that enhancing the profitability of land-based businesses has to be a top priority. At the moment there are many businesses that have low profitability, with a significant proportion being unprofitable, and there is too great a dependency on public financial support. Scottish land-based businesses therefore need to adapt, innovate, co-operate, diversify and adopt best practice to increase their resilience, and be supported by government in that process of change.

Working together

SLE believes that by 2030 the approach to regulation should be one where regulators work closely and constructively with land managers in a positive way. There needs to be enhanced cooperation between land managers to reduce costs and achieve greater market power. We also believe that researchers and land managers will have to work even more closely together if we are to achieve our aspirations for land management and for our rural industries.

Supporting land management

Scottish Land & Estates believes that there will be an ongoing need to support farming and wider rural land use but that continuing with the current approach to direct farm support is not sustainable. There should be greater emphasis in supporting the farming industry to enhance its profitability. In the longer term there should be greater emphasis on farming and land management delivering public goods – thus providing support for areas of natural constraint.

Delivering in the public interest

SLE believes that any future support regime should put greater emphasis on delivering public goods. This should be outcome based.

A flexible and dynamic land-based sector

Scottish Land & Estates wants to see a flexible and dynamic land-based sector. That will mean accepting that some things have to change, but it will also mean attracting and nurturing new talent and embracing the full range of routes into the land-based industries.

General comments

The Ministerial Foreword says “Change now seems inevitable”; the Government and the industry needs to act on this, not defer for future review and implementation from or after 2024.

We need to do more to increase the resilience of Scottish agriculture and also to increase the clarity of messaging around priorities for land use and land management – this was required regardless of the Brexit situation.

Scotland doesn’t seem to be looking as far ahead as the other devolved administrations – is there a risk that Scotland will be left behind.

We appreciate that the concern of the paper focusses on the short term, however we must seize this opportunity to open a larger review of where and how Scottish agriculture might move forward.

We need to address short termism – of Government policy and funding and within the sector – as sectoral change and increased resilience requires a long term approach.

The sector will respond to change but if we create artificial situations through particular policies or funding mechanisms then this can act as an inhibitor to structural change or innovation.

The sector needs to improve its narrative around the justification for continued support.

We need to move from a discussion about tweaking artificial greening measures on arable land to a more meaningful approach to delivering public goods in upland areas.

Whilst we applaud the Scottish Government for seeking to provide more certainty to the sector, we have to acknowledge that other factors such as trade and access to labour will impact significantly on the sector, as will any common frameworks (either at an EU or UK level). These issues have to be considered alongside Scottish Government policies and funding mechanisms.

Wales is looking to a more radical approach to supporting the sector – moving from direct support at holding level to more sectoral/collaborative economic resilience schemes. We believe that this is something that the Scottish Government should explore during the transition phase. We need to move the debate away from individual winners and losers at a holding level to an approach which delivers the desired outcomes most effectively.

During the transition phase, help is required for those people wishing to exit the sector as well as continuing to increase opportunities not only for new entrants but also for current businesses to thrive.

The fragility of Scottish agriculture is not solely down to Brexit, and this must be recognised. There are issues which will have to be addressed which are not directly associated with the Brexit transition – such as supply chain issues, demographics of those involved in the sector, infrastructure,

addressing the challenges in delivering a thriving tenanted sector and the lack of viability of some farming models or enterprises. These thorny issues must be tackled during the transition phase. Change is inevitable and the impact of any change on the sector or parts of the sector – such as smaller units on marginal land – has to be fully recognised and understood.

Leaving the EU not only enables Scotland to adopt policies more suitable for its own objectives and circumstances but also to focus on developing resilience and adaptability ahead of the challenge that may come from changes in trade. In particular, any reduction in the protection currently given by the EU's Common External Tariff to beef and sheep would pose those sectors a major challenge, whether it is by trade deals negotiated by the EU, by the UK or by Scotland.

An effective transition requires us to look at all land use policy, not just replacement of CAP payments, so that we take a wholistic approach to strengthening of the sector's competitiveness. As well as considering how the money available to support agriculture in Scotland can be used to best effect, this is the moment to look at all the policies that could drive a progressive and thriving sector.

We recognise that there are, as always, uncertainties about the future. However, they this should not prevent us from developing plans for land management in Scotland post Brexit. Acting now would both assist businesses to review their operations and allow the time for everything from managing succession to securing the investment needed to reposition a farm business. The industry often argues that certainty is vital but it could also be argued that CAP has provided a degree of certainty which has for many businesses resulted in stagnation rather than planning for the future.

The question which have to be asked are:

- where do we want Scottish agriculture to be in 20 years time? and
- how do we successfully manage the transition to this?

Transition by its very nature must involve change to something else – and to ensure a successful transition we have to know what we are transitioning to. Before any decision on transition is made, we must be clear what the landing point is in terms of trade deals and the regulatory framework under which farming will operate. In addition, we must ensure that no business with the potential to be viable in the long term is compromised due to the transitional arrangements.

SLE believes there should be no arbitrary cap during any transitional phase.

SLE also believes that enhanced funding for research and development will be key to achieving a successful transition. This funding should be targeted at improving farm productivity and efficiency; and practical application of natural capital accounting so that a transparent and easily accessible system for payments for the delivery of public goods can be developed.

Finally, SLE wishes to underline the importance of the uplands not only in terms of food production but from the many economic, environmental and social benefits delivered from land designated as less favoured areas. Any transitional approach and long term policy has to support sustainable land management across our Uplands. In addition, we have to look at improving practices within these areas and rewarding the delivery of non market goods rather than just viewing them as unproductive from a farm business point of view. That said, there will be structural changes to farm size, type and activity as we progress through the transition phase. It is likely that this will be greater in upland and marginal areas

Question 1: Do you agree with the stability approach described here? Please

provide comments.

Whilst supporting a transition period, we are concerned that the approach set out in the paper may not support that scale or speed of change which is required to ensure that Scotland is best placed to deal with the post Brexit landscape. We do believe that the industry requires certainty and stability – but this shouldn't mean retention of the status quo.

We agree with the Agri Champions that “no change is not an option” and whilst supporting the principle of stability in the sector, we would question whether keeping support schemes broadly the same, albeit streamlined and simplified, will result in the changes required during this phase.

The transition phase provides an opportunity to build capacity and resilience in the sector. Investment in upskilling rural workers, and in rural business innovation and development, will be crucial to ensure the industry is best placed to deliver the economic and environmental outcomes desired with the support of a simpler and more effective funding framework.

Question 2: How might the annual application process for direct payments be adjusted to deliver with a lighter touch for those with little year-on-year change in their business?

We would like to move to a map based rather than field identifier approach, and an option of no change/negligible change automatic SAF submission. Any simplification of the process must be accompanied by a more proportionate approach to penalties.

Question 3: Are there operational changes in our delivery of Direct Payments that you would like the Government to consider during the transition period?

The following could be considered:

- Extension to the application window
- Removing the siphon on without land transfers especially given the issues caused for let land
- Remove active farmer rules – not to re introduce any form of slipper farming but to recognise that the current regulations deem areas of land ineligible when in fact they are very actively managed.
- Greater proportionality in the penalty regime

Question 4: Do you support the continuation of some or all CAP rules on inspections and compliance during the transition period, bearing in mind that Scotland will still need to comply with the rules of the World Trade Organisation (WTO)?

No, but if there is a continuation of CAP rules then their application has to be proportionate and driven by outcomes rather than audit. This could be achieved by taking a whole farm approach to compliance rather than individual field.

We also believe that the Scottish Government should:

- Take a more risk based approach to inspections.
- Increase co-ordination of Inspections for different purposes.
- Move from a them & us to a partnership approach – enablers rather than auditors
- Recognise the need to ensure continuation of high standards of produce quality and livestock welfare, and delivery of environmental protection and enhancement.

Also see our response to Q 15 regarding the use of technology to deliver more efficient inspections.

Greening

Question 5: Do you have any suggestions for straightforward changes that would improve the environmental outcomes achieved through greening payments in Pillar 1?

Firstly, we have to be very clear about what outcomes we are trying to deliver, and what our measures of success are.

In terms of specific suggestions:

- remove crop diversification and the basic rule for retaining “permanent pasture”
- keep EFAs and the protection of environmentally sensitive permanent grassland
- amend hedge cutting regulations

We should progress the direction of travel already begun in CAP reforms and also recognise that improving the delivery of environmental outcomes will require a major redesign of how we do things. We would suggest that the Scottish Government reviews the Land management contract approach proposed for England by the CLA, and considers if this could form the basis of an approach for Scotland.

Question 6: Considering how funding is currently distributed across CAP schemes, do you have initial views about how the balance between these schemes should change in future to maximise outcomes?

It seems inevitable that a Basic Payment for occupying farmland will be progressively reduced to meet new and competing needs. Funding should be targeted at delivering outcomes, and on increasing sectoral productivity and innovation to ensure the future success of Scottish agriculture.

We would like funding allocated in a way which supports activities such as research, knowledge transfer, advice and training which enables more resilient and profitable businesses that are not dependent on Pillar 1 type payments.

We support the Soil association’s suggested that there should be continued funding of the SRP to inform knowledge transfer activities, as well as policymaking. SEFARI should be a more integral part of the KT landscape, and SRP work packages should have a KT component that is delivered as part of existing KT providers (i.e. Soil Association Scotland).

Capping Direct Payments

Question 7: Do you agree that changes to capping are a useful measure to enhance the positive social and environmental impact of agricultural policy?

No. In our view, the consultation paper offers no rationale for considering capping which is a blunt tool.

The paper suggests that the money used might assist:

- a widening in some way of the “benefits/range of recipients” of support
- “new entrants and small businesses”.

It seems unreasonable to take money from some claimants without a clearer rationale, and without a clear understanding of the impact on the businesses affected rather than just consideration of the pot of money which it would result in. As the consultation paper states:

“Further analysis and consultation would be needed to determine a fair capping policy. There are different models with each having different implications in terms of scheme complexity, and the impact on affected claimants.”

Any discussion should be framed in terms of a clear and positive, future agricultural policy, and consideration of whether such a measure would more effectively deliver the desired outcomes than alternative approaches such as all claimants making a scaled contribution to the fund through reduction of payments.

Capping should not be applied to agri-environmental or other public goods payments as where payments are made for environmental purposes, it is the environmental achievement that matters, not the scale of the recipient. Capping would, in our view, be counter-productive.

Question 8: Do you have any specific views on how capping should work including what a maximum cap should be?

No, there should not be a cap. If there is a valid policy rationale for removing money from larger claimants it should be by the “degressivity” model with the withdrawal of only part of the payment above a threshold, not of the whole payment.

Any reductions need to be carefully phased to allow businesses to adjust and prevent sudden disruption to businesses or the market.

Whilst we accept that capping is part of CAP reform, we would argue that this does not mean that it has to be an automatic part of the future shape of Scottish land use and how best to deliver our desired outcomes.

Question 9: Should there be a maximum cap on the total funding a business receives from all schemes, or a scheme-by-scheme approach?

No, as stated above, imposing a cap on payments for environmental purposes or indeed for forestry could be counter-productive.

Question 10: How can the aims of LFASS be better achieved/would you prefer to see alternative methods of providing support?

There must be a clearer and more effective link to delivery of identified outcomes. We appreciate the arguments put forward for safeguarding the LFA ‘pot’ but believe that to consider it from a pot protection point of view is looking through the telescope from the wrong end.

Framers in our fragile areas continue to experience real difficulties even with the current level of LFA support – any consideration of future support has to consider what we want achieved from the LFAs and what is the best way of funding them.

Question 11: Would you see value in directing future LFA support through other existing Direct Payment Schemes?

This is dependent upon identification of the desired outcomes. Leaving the CAP does provide the opportunity to consider funding outwith the constraints of the current two pillar structure.

Question 12: Do you think there are administrative and operational simplifications that would benefit current or future LFASS claimants?

Whilst not simplification we do think that there is a need to improve the operation of the scheme and would suggest that a rebasing exercise is carried out if LFASS is to continue longer term.

Mapping and Associated Scheme Rules

Question 13: Would you support a simplified approach to scheme use of map information or to the land mapping system and, if so, do you have views on where the main opportunities for doing so would lie?

Yes.

Current mapping requirements are very time consuming, expensive and in many circumstances entirely unnecessary to deliver outcomes on the ground.

The use of IACS Farm Codes and FID numbers (Field Identifiers) should be reviewed. These are unique ten figure FIDs based on grid reference and are unnecessary for scheme mapping. Their only logical function is for identifying legal ownerships of land. They should not be used for any management or administrative purpose.

The inability to identify a property by name and management type, only by Farm Code / FID numbers, causes issues when dealing with management and annual reporting. Forestry uses compartment maps and numbers yet the current administration and funding system doesn't – this incompatibility means data is double handled for each sector and for each field.

The requirement to physically input each ten figure FID number against every change, activity and claim, ANNUALLY, is administrative madness. The previous years entries cannot even be saved and revised to 'current status'. This system is cumbersome, prone to errors and should be entirely revised.

The cost of revising digital mapping should not be excessive as there are excellent software packages available (including free software) and these savings could be utilised by both administrators and landowners/agents.

Simple schemes only need simple maps to identify plans and activities.

Question 14: Do you support the use of regional pilots to help tailor schemes to local circumstances?

We have not interpreted the Agricultural Champions report in a way which suggests regional pilots for inspections but rather that the development of policies should be tailored to regional circumstances.

It would appear sensible to take a more regionally based approach which takes a risk based approach.

Question 15: Do you have views on how the inspections regime could be made more efficient while retaining existing public benefits?

Operating it on a risk basis to maximise assurance for the resources available, using as much off-site technology such as satellite imaging as possible, and co-ordinating work where there are to be multiple inspections.

New technology, for example drones, have successfully been utilised to speed up other processes such as survey and mapping and these types of services are accurate, current and time efficient. There is no reason why they shouldn't be utilised to improve and speed up inspection regimes, allowing an increased inspection rate and higher accuracy for the public purse.

For example, one person to walk a forestry site (say 50ha) and map with a hand held GPS unit takes at least one day. A professional mapping drone can accurately map the same area in under an hour).

Penalties

Question 16: Do you have views on how the penalty regime – particularly around fairness, transparency, the maintenance of standards and compliance burden – could be improved in the short-term?

Penalties for breaches should be proportionate. The present default to 5 per cent penalties may frequently be excessive while others may warrant larger penalties.

Reviewing this re-opens one of the original questions about cross compliance penalties where they apply to rules that are anyway statutory and subject to statutory penalties for breach. This can look like double jeopardy.

We would welcome further discussions on this.

Simplification Task Force

Question 17: Are there specific issues you think the Simplification Task Force should prioritise for review?

We believe that some of the issues raised by Brian Pack's review of red tape have still to be implemented – if a Taskforce is to be created then this should be its first reference point.

Complex policy outcomes leads to complex schemes and complex administrations. Therefore the first step towards simplification is a clear policy with easily understood objectives.

Question 18: Do you agree with the proposals to set a timescale of up to five years for transition? Please provide comments.

Yes, but only on the basis that the Brexit timetable proceeds as intended – with a deal negotiated prior to March 2019.

If a genuine transition period is envisaged, then we see a five year perspective as realistic. However, as per our comments at the start of this response we would not be in favour of an approach which

simply deferred substantive change for 5 years. we suggest that with any agreed timescale, milestones are set to ensure there is genuine change during this phase.

In terms of the process set out in the consultation paper then Scottish farming does feel as though it is lagging behind the rest of the UK, with a date of 2021 proposed in England and 2022 proposed in Northern Ireland. The Welsh intention to significant change from 2020 is possible due to the lengthy and detailed work that has already been undertaken in partnership with stakeholders. We need to firm up what we are transitioning to very early in the process.

Question 19: If new schemes seek to encourage collaboration, enhance skills development, help with capacity building, facilitate wider integration into the supply chain, promote carbon audits and monitoring of the soil health, how might pilot projects be best designed to help test and develop new approaches?

We make the following brief suggestions:

More support, less auditing

Officers acting as support and not focused on penalising mistakes

Collaborative catchment or landscape scale approach to deliver great benefits

Move away from holding thinking to regional land use partnership

We would like to see increased bottom, participant led knowledge transfer such as RISS.

Climate Change

Question 20: Many of the measures described in this consultation will have co-benefits for both agricultural productivity and for reducing Scotland's Greenhouse Gas Emissions. Are there other practical and feasible measures that would have similar co-benefits that you feel should be considered?

Such measures could include:

- min/strip tillage for carbon reduction and diffuse pollution
- use of bio-fertilisers for carbon reduction
- landscape and environmental stewardship designed for collaboration.
- Increased support for peatland restoration and agro forestry
- Investment in soil health

Technology will continue to develop so we have to make sure that we are not too prescriptive.

We would like to see continued support for Farming for a better climate and the introduction of a small capital grants scheme to incentivise farmers to invest in equipment which will address climate change and improve business resilience.

Question 21: Do you agree to expanding the number and role of Monitor Farms or similar during the transition period? Do you have any ideas as to how Monitor Farms could be refined or adapted to better meet future needs?

Yes, with the need for farm businesses to improve their position, it is very important to ensure that beneficial new knowledge, techniques, technology, business management and marketing are disseminated for practical use on farms. That can be by a range of methods including knowledge exchange between peers.

There may be a case for expanding the network but equally consideration should be given to getting the maximum value out of those that exist as well as encouraging the use of other farms and businesses that have already embraced change

Monitor farms are seen as a useful development in this and ways to strengthen their contribution should be taken forward. It may be a practical matter whether that is by expansion of the network, development of the present farms, improving access to them or some mix of all those.

It can be a particular problem for farmers, especially but not only in one-man businesses, to feel that they can take time away for such visits – even these are often the ones who might benefit most from them. There needs to be a number of ways for them to be encouraged to achieve this.

We would like to see increased industry use of the Monitor Farm Hub resource.

Question 22: Do you agree with the proposal to look at moving towards a more performance based approach to compliance, using key performance indicators and better information?

In principle yes, improving farming's performance should be a prime focus of agricultural policy. However, this has to have a degree of flexibility built in as external circumstances such as the weather could result in the failure of well managed scheme.

Success is dependent on the correct KPIs being used.

Question 23: Do you have views on the types of indicator that should be used or areas of priority action within the operation of current CAP schemes?

The public good tool designed by Defra and being piloted by SRUC may be a useful reference. Undoubtedly the development of indicators will not be a simple task and we would suggest that different approaches will need to be piloted during the transition phase.

Scottish Rural Development Programme (Pillar 2)

Land Based Schemes

Forestry Habitat Scheme -

Question 24: Given the importance of continuity of support for the forestry sector and that the target for new woodland is to increase to 15,000 hectares by 2025, should the current the Forestry Grant Scheme continue broadly in its current form until 2024 or can you suggest other short-term changes that would better achieve these policy aims?

EIA thresholds for new planting should be reconsidered, for example, surveys should consider landscape scale parameters as the initial approach, as opposed to artificial boundaries on maps and a 'one size fits all' at the outset of applications – i.e., birds utilise the whole landscape and local change dynamics not just a planting site. Over-burdensome survey requirements exponentially extend lead-in times, expenses and constraints, often without any logical reason. A common-sense approach at local level should be more widely adopted.

Decisions on forestry schemes should be made by appropriately qualified professionals at a local level, with appropriate procedures for resolving disagreements of professional opinion, also at a

local level. The professionalism and knowledge of experienced foresters should be brought to the fore as opposed to the current system of 'computer says no' and over regulation.

Further industry encouragement for agroforestry would be welcomed. There is a need to raise awareness amongst farmers about the range of benefits it can offer: sequesters carbon, provides shelter for livestock, improves biodiversity, protects soils and diversifies incomes.

Question 25: In considering the current Forestry Grant Scheme, are there opportunities to improve the administrative efficiency of the scheme?

Although we acknowledge that the implementation of the Mckinnon report has delivered a wide range of improvements and efficiencies, we feel that the Forestry Grant Scheme should ideally be made a 'stand-alone' scheme and administered outside the overly complicated SGRPID system.

Forestry does not sit very well with the Single Farm Payment system and completing annual SAF returns is entirely unnecessary for the majority of forestry businesses. Brexit offers the ideal opportunity to decouple forestry from both CAP and agricultural funding.

The old Scottish Forestry Grant Scheme (SFGS which closed in 2006) was a much more user friendly and popular scheme and far superior for it. The SFGS was easy to understand, administer and implement by owners, managers and administrators and should never have been replaced.

A return to an SFGS type of model would simplify the application process and speed up and increase the uptake towards meeting the new projected targets.

The current competition for funds pits different types of forestry schemes against each other. Each type of planting scheme has legitimate objectives and, assuming minimum sustainability requirements are met, should be recommended for approval. The schemes should return to a local 'first come first served' approach on a scheme by scheme basis throughout the year, rather than a points based competitive model for centralised approvals, often at ministerial level.

Agri-Environment Climate Scheme

Question 26: Given the importance of continuity of support for environmental outcomes, should the current Agri-Environment Climate Scheme continue broadly in its current form until 2024 or are there short-term changes that could be introduced to

- i) simplify and streamline the scheme,**
- ii) improve customer experience and/or**
- iii) enhance the delivery of environment and climate change objectives?**

If the AECS is continued after 2020 and is to be effective then it needs significant revision to its operation so that:

- it is easier to make an application
- its rules are clear
- changes to its rules are well publicised
- accurate payments are made.

This scheme has proved too complex and time consuming with uncertain success due to its competitive nature..

Continuing scheme in its present form until 2024 may not be the best Approach. It seems very probable that this scheme will need a policy review, probably following the steer given by the Griggs report.

We would like to see all AECS options reviewed to change the emphasis to outcomes achieved. We strongly encourage the funding of robust evaluation of AECS to inform any short-term changes, and more importantly changes to its next iteration.

Again, agreement is required on desired outcomes and longer term policy and funding before detailed discussions are had in relation to scheme changes.

Question 27: Are there new emerging environment or climate change priorities that need particular focus under the Agri-Environment Climate Scheme in the next three - five years?

- carbon reduction and sequestration
- reducing the use of plastics
- extreme weather

We refer you to our answer to question 20

Capital Grant Schemes

Question 28: Considering the current New Entrants Capital Grant Scheme, are there opportunities to improve the administrative efficiency of the scheme?

Improved turn around times for decision and payment across Scotland would be beneficial.

There does seem to be a very mixed view of the scheme, with some members feeling that it is very difficult to find the guidance and to work out exactly what is required. However, for those who do apply the actual application process appears to be straightforward.

Crofting Agricultural Grant Scheme

Question 29: Considering the CAGS in its current form, are there opportunities to improve the administrative efficiency of the scheme?

We have no suggestions to make.

Question 30: Should the scope of what can be funded be reviewed, for example in terms of adding in new elements and restricting total spend on some projects?

We are not aware of any need for radical changes to the scheme but would suggest that rather than restricting total spend, there may be an argument for increasing the ceiling for certain projects, as long as they are justifiable.

Small Farms Grant Scheme

Question 31: Do you have initial views on this proposal?

We would like to understand more about the reasons for the low uptake of the scheme – is it lack of demand or issues with eligibility rules? Feedback on the scheme is that it has provided valuable support to those who have received support. Perhaps consideration should be given to increasing the hectare and income thresholds?

Question 32: Would there be customer benefits if the CAGS, small farms capital grant scheme and the new entrants capital grant scheme were combined?

It is difficult to see how the application and decision making process would be simpler if the schemes were combined.

Food Processing, Marketing and Co-operation

Question 33: Considering the current FPMC scheme, are there opportunities to improve the administrative efficiency of the scheme?

We would suggest that ways need to be found of reducing the timescale between application and approval decision, and would also question the need for the requirement of 3 quotes.

Question 34: Would you wish to see other aspects of this scheme changed in the short-term?

We have no further suggestions to make at this stage.

Expansion of Capital Support

Question 35: Do you have views on priority issues to be considered by any pilots during the transition period?

Investment in holdings is key to improved productivity and is an area where support should be focused. As suggested this could as equally be by loans or, indeed, support for loan guarantees as by direct capital grants.

For a project to benefit from such support, it should be underpinned by a business plan approved by a third party showing how it will improve the business.

Continued pressure should be put on the Treasury to revive Agricultural Buildings Allowances and also to introduce a technology based capital allowance as means of encouraging privately funded investment.

Community Support Schemes

LEADER –

Question 36: Is this an approach that you could support?

The LEADER approach seems to have been effective but leaving the CAP allows a fresh review of its very bureaucratic aspects. If work is undertaken now, a more accessible scheme could perhaps be in place for 2021. We understand that leader may come under the proposed Shared Prosperity Fund and we have some concerns that this may not deliver effectively for rural areas.

Greater information is required on Leader ROI and operation before we are able to provide a view on any future approach.

Question 37: Considering LEADER in its current form, are there other opportunities to improve the administrative efficiency of the scheme?

The LARCS system appears to be system designed to suit the needs of Government/funders/auditors more than applicants (especially first time applicants). Many good projects have not progressed to full application stage and, where they have, they have required a high level of support from the LEADER teams, advisers and third sector organisations.

This approach seems to run counter to the ethos of LEADER as a bottom up approach, driven by communities, which are dominated by volunteers, who may not have the skills, time or resource to take forward their community initiatives under this level of bureaucracy.

Broadband

Question 38: Do you have initial views on this proposal?

We believe that supporting the development of access to the internet in rural areas is better handled by a comprehensive connectivity policy.

We would like to understand more about the reasons for low up take of the scheme prior to any decision to withdraw it.

Advice, Innovation and Information Schemes

Farm Advisory Service

Question 39: Do you have any thoughts on the form, content and delivery methods for future advice?

Advice services to deliver the required to sectoral change must be multi-faceted and diverse.

We support a range of approaches including:

- the Farm Advisory Service as a basic point of reference on the new schemes
- the use of Monitor Farms
- access to research which can be easily applied by farmers and landmanagers
- access to private sector advice for issues from overall business planning to specific technical areas

all closely linked to the knowledge transfer/exchange mechanisms which should be within the same framework.

If we are to drive change then we need a system of farm advice based on general agricultural advisers with good all round knowledge, backed up by teams of specialists. In practice, some general

advisers may lack the technical expertise to help deliver the step change in productivity, sustainability and innovation.

Any new strategy which results in new schemes and change will require knowledge transfer/exchange and support, but we will also need technical support and innovation. We have to ensure that our research and advice providers are well placed to deliver this.

Access to knowledge as well as advice is critical to effect mindset and cultural change within the industry which will achieve resilient and profitable businesses.

Question 40: Do you have any views on the balance of advice delivered by one-to-one and one-to-many methods?

We believe that there is a place for both approaches, along with a one-to-few approach.

Availability should be driven by deliverability of change and of identified outcomes rather than number of attendees or businesses accessing services.

Question 41: Do you have any views on how delivery of advice can be better linked to delivery of results?

Evaluation framework which captures business change as a result of advice service would be useful, as would some element of benchmarking before and after access to advice.

Knowledge Transfer and Innovation Fund

Question 42: Considering the KTIF scheme in its current form, are there opportunities to improve the administrative efficiency of the scheme?

We believe that more should be done to promote the innovation part of KTIF, and RISS.

Question 43: Do you have any views on the effectiveness of KTIF and how the aims of the scheme could be promoted in the future?

As well as continuing support for existing schemes, we would suggest that consideration should be given to making more effective use of the knowledge and expertise which already exists within the sector – supporting exemplar farmers and landmanagers to deliver KT on a respected peer to peer basis provides not only effective value for money service but also additional income streams for those in the sector.

Beef Efficiency Scheme

Question 44: Would you support a similar type of scheme going forward?

There is a mixed view amongst our members but those who do support it, suggest that it should continue with modifications:

- Extend beyond beef to include other livestock
- Bottom quartile of businesses not eligible for continued funding unless significant improvement in business model

- Increased focus on increasing resilience in stock
- Addressing issues with the carbon audit part of the scheme
- Support at a more macro level with genetics work carried out by an organisation such as Moredun.

Work is required to look not only at the increased effectiveness of those participating but also why a significant proportion of the industry is not participating. We understand that many small herds are not involved in the scale – is this reflective of scale of the scheme requirements outweighing the scale of the incentive?

Question 45: Would you support a future approach that aims to deliver similar increases in efficiency through the direct payment support mechanisms?

We are not clear what this question is asking, given that post Brexit we will not be constrained by CAP support mechanisms. **Scottish Rural Network**

Question 46: Do you see a continuing role for the SRN and, if so, do you agree that its current aims and objectives should be maintained during the transition period?

No. Although we support continued networking in the sector, we would question whether the SRN in its current format is required as there does appear to be significant overlap with other areas of activity/schemes.