

## **The Rural Development Programme for Scotland 2007 – 2013 Draft Response from the Southern Uplands Partnership.**

We are pleased to have been invited to respond to the consultation on the Rural Development Programme for Scotland 2007 – 2013. We see much in the proposals which is positive and we welcome the move towards a more meaningfully integrated approach to rural development and the integration of previously disparate grant schemes. We have been calling for this for some time and indeed it was this need which stimulated the formation of the Southern Uplands Partnership six years ago. Progress has been made, but we feel there is a need to go further.

### **General concerns.**

We recognise the fundamental importance of land management to sustainable rural development and we accept that there needs to be encouragement for future generations to farm and for some farms to compete globally, but it does not follow that land managers /occupiers are the only route for rural development. We feel the proposed programme has too narrow a focus on the agricultural sector and we are concerned that maintaining this approach is to risk perpetuating division between the farming and non-farming community. We want to see a programme which encourages co-operation between rural entrepreneurs and the integration of the farming community into the wider rural business community. There is also the need for non farming businesses in rural areas to compete nationally and internationally.

We believe the Programme puts too much reliance on the farming community developing a more diverse and vibrant rural economy. Recent evidence suggests that when it comes to diversification “early adopters” have already made their move. For many of those remaining, farming is now a business of survival. The ongoing pressure on farm businesses (especially those in the Uplands) means that fewer people are having to do more work – making opportunities for trying out new approaches increasingly difficult and unlikely. The recent poor take up of the Farm Business Development Fund highlights this situation. Further to this we believe that favouring farming families over non-farming families for support in setting up new rural business is inequitable. Our experience suggests that new rural businesses are as likely to arise from towns, villages, “incomers” or from the non-farming sector. We feel a *rural development* scheme should be able to encourage anyone who wants to carry out activity which is likely to lead to appropriate rural development. The proposals in this scheme are too focussed on farm interests and we are concerned that for this reason the desired rural development outcomes will not be delivered.

The programme does not seem to us to be consistently well aligned to delivering the Strategic Plan previously circulated for comment. For example the strategy document made clear reference to the promotion of local food, the need for small scale local slaughterhouses and meat processing and the need for a reduction in food miles (or an increase in food security) but these appear to be missing from the programme document. In our view these are vital if we wish to sustain local rural economies.

While farming must be incentivised enough to keep the next generation on the land, and there are some good measures in place for this, we believe that there is an over emphasis on some superficial, stand-alone environmental measures which we suspect are in place as a means of delivering grant support to farmers rather than as part of an integrated programme of measures to deliver real public benefit. A reasonable balance needs to be struck between what farmers need and what communities want. In our view, overall social outcomes and ambitions have not been established and it is not certain whether such balance has been achieved.

We are concerned that rural policy could become ‘urbanised’ if decision making reverts entirely to an Edinburgh-based SEERAD. It is unclear how Scottish Enterprise would relate to the programme, nor whether the Scottish Enterprise rural budget would be built into the delivery of the RDP. We feel it should be incorporated – or at least directly linked.

We would suggest that any future European structural funding should also be combined with the proposed scheme (to further simplify access and to increase overall available funding) but we would urge the Scottish Executive to ensure that the necessary match funding is also available to allow maximum use to be made of available European funding.

As far as we can see, the RDP will represent almost all investment in rural development in the next few years and it must therefore be used to deliver maximum benefit to rural communities and the rural economy. It is essential in our view that the scheme has as much local control as is possible. That way funding can be concentrated where it will deliver as much benefit as possible. The recent allocation of support for countryside access (in the first round of LMCs) showed how influential support can be in encouraging actions. However the local benefits of this significant injection of funds has been marginal because there was no requirement for a clear link to be made between access provision and local access priorities already agreed in the local access strategies. If such a link had been built-in, a significant amount of the local access strategy could have been delivered.

We are concerned that a set of nationally agreed options – each with a nationally fixed rate of support – will simply (and understandably) encourage careful selection of the option which will bring maximum income and benefit to the applicant – rather than maximum public benefit. The real benefits of a rural development scheme will come from a scheme that is shaped to suit local priorities and which can use the funds to encourage delivery of multiple benefits.

Overall we challenge the idea that the only route to rural development is through land based incentives. The Strategy Document appeared to be taking a much broader and more integrated approach and we welcomed it. The Programme Document has not followed-through and we are therefore disappointed.

### **Specific comments.**

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#### **1. Do you agree with the “historic payments” system proposed here? If not what alternative would you suggest?**

We welcome the proposed ongoing support for “Less Favoured Areas” as without this we do not see how such land will be managed and we agree that land management is vital to the rural economy. However, we do not agree with the proposed historic basis of payments. We do not see the historic basis as equitable in that it risks penalising farmers who have been doing the right thing in the key period (eg if they had introduced lower stocking levels). We believe the system of support would be seen as being fairer if it paid for management by area managed. There would then be a direct relation between the payments and the public benefit received (in this case land managed appropriately) and we believe the public would have more sympathy with this approach.

#### **2. Do you agree with the suggested approach for ensuring that payments are only made in respect of land that is being actively farmed? If not, what alternative would you suggest?**

We agree that payments should only be made on land which is actively farmed (managed).

#### **3. Do you agree with the proposals to give greater weight to “very fragile areas” and to increase the minimum payment?**

- **if so, do you agree with the suggested approach, if not, what alternative would you suggest?**

We agree with the principle that the rate of payment should reflect the degree of fragility and that a minimum level of farming/management should be required to be eligible for support.

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**4. Do you agree with the national objectives identified in Annex. C?**

We agree with the objectives set out but we would like to see the reference to “ a thriving and growing rural **land-based** business community” changed to exclude the words land-based. In our view the aim should be a thriving rural economy – one that includes land-based and other businesses.

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**5. Do you agree with the proposed integration of schemes in LMCs?**

Generally we feel this shows sensible rationalisation. We welcome the integration of existing schemes where these fit under the SRDP and we agree that some schemes would be better left out. However we feel that such integration of schemes should be mirrored by an effort to better co-ordinate the use of funds from these schemes and we would like to see the SRDP encouraging the production of whole farm plans which would allow all the options to be identified and the most appropriate actions to be agreed so that public benefits are maximised.

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**6. Are the proposed lists of measures (see Annexes D and E) suitable for the delivery of the range of LMCs objectives on: Economic issues; Social issues and Environment issues?**

We feel the measures proposed will be effective in delivering environmental issues, but we are less confident that social and economic issues will be addressed.

**7. Is there an appropriate balance between the proposed economic, social and environmental measures for LMCs?**

We are concerned that the current range of options is likely to encourage “easy to deliver” environmental/land based outputs at the cost of social or economic ones. In our view significant public benefits will come from measures that result in economic and social developments but we do not see farmers as being uniquely equipped to deliver such outputs and we again suggest that there is a need to increase emphasis on community and rural development and to engage with the non-farming sector to ensure these are delivered.

**8. Do the proposed measures encourage an integrated approach compatible with sustainable development?**

Without a significant degree of local influence over the approved measures we do not see how this scheme can deliver an integrated approach compatible with sustainable development because nationally-set priorities are unlikely to match local priorities. Regional plans could ensure a better degree of integration.

**9. Should there be a mechanism for ensuring that land managers adopt a spread of measures from Tier 2?**

We believe there is a need for a business plan to allow options to be explored and priorities agreed. Without such a plan there will be a tendency to do what is easiest and/or most cost-effective rather than what is most likely to be sustainable or locally beneficial.

**10. Do you agree with the list of capital items as proposed in Annex G?**

We believe there should be an option (if not a requirement) to produce a business audit/plan as above.

We are concerned that some of these items will be costed either too high (and will therefore be overly attractive) or too low (and therefore unlikely to be adopted) but we are not able to offer a better solution other than suggesting that local advisors do their best to guide the applicants towards the “better” (in public benefit terms) options.

We are also aware that some costs vary significantly (eg fencing costs are much higher in remote upland sites than beside a road) and we would suggest that some flexibility is built-in or that there is a higher rate offered for remote situations.

While the list of capital measures is fine, overall issues under Tier 2 – for example support for green tourism businesses – are missing.

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**11. Should the Leader mechanism be used to deliver across all the Axes? Please explain your answer.**

We welcome the proposed extension of the LEADER philosophy into the SRDP but feel that to be effective it would demand more than the proposed minimum percentage. Our experience of “horizontal themes” is that they are difficult to deliver effectively and we would suggest that successful application of LEADER across the themes will require additional funding. 5% would represent a significant drop in Leader funding compared to current levels and we feel the figure should be significantly higher. We would urge that steps are taken to reduce the bureaucracy which has hampered LEADER+. We believe LEADER can play a role across all the axes (providing it is resourced adequately) and we believe this would be a way of bringing a degree of local influence into the scheme. We also believe that LEADER must be available across the whole of rural Scotland and we urge the Scottish Executive to take steps to facilitate this.

**12. How can LMCs and Leader be administered to deliver mutually supportive approaches to rural development?**

In our view LEADER should be enabled to allow monitoring of the support given to rural interests and to seek ways of enhancing this where possible through top-up funding. LEADER would then serve as the added-value component. This would however require that it was able to support commercial interests as well as environmental and social projects, we would see this as a key change.

The management of LEADER must be open and fair – and must not be vulnerable to domination by any one interest group. Local Authorities would have an important role to play in this (and input would be required from a number of departments such as transport, education, access, planning etc). There would also be a role for the Community Planning Partnerships because SRDP funds could be key to delivering many Community Planning objectives.

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**13. Do you agree with the proposed Rural Development Framework approach?**

Yes. A national framework is required but in our view regional plans would be vital and, as we have said above, diverse regional approaches would be essential.

Plans must look wider than land management when considering “rural business” and must seek to consider the broader rural community. Land Management and Rural Development are not the same thing.

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**14. Do you think that the proposed RPAC approach would be an effective means of delivering regional and local priorities while meeting national objectives?**

Potentially we see these as being useful but we suggest:

That RPACs should not be in addition to LAGs – there would inevitably be duplication between such groups and the sort of people needed to make them work are already very busy people – the two should be merged giving those involved a strong overview.

RPACs would need to be resourced – possibly able to pay expenses for participants and should be able to employ project staff. The capacity would be required to develop regional strategies to feed into national and European policy.

The RPACs should be able to determine the allocation of as much funding as possible and we suggest that any ERDF funding should be channelled through such a group (indeed we believe the structure used to manage ERDF Objective 2 funds would be a good model for the RPAC structure).

**15. Would RPACs be an appropriate approach for applications under all the axes?**

Yes providing they were resourced appropriately and rolled out slowly with LAGS incorporated into RPACS for maximum influence.

**16. Which interests should be represented on the RPACs?**

We believe a balance is needed here. It is important that the groups have broad based representation but also that they are manageable. It would be vital to include key agencies (eg SNH, FCS, LECs, VisitScotland) and also land management interests (SRPBA, NFUS) and communities, Cllrs and Local Authority staff. SEERAD could perhaps provide secretariat support. The role of quangos needs to be clear, would they be involved as advisors or decision makers.

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**17. Do you agree with the proposed system of guidance on regional and local priorities to enable greater targeting in the SRDP?**

We believe such guidance would be helpful.

**18a. Do you agree with the range of topics that the guidance will cover?**

Yes

**18b. Should the guidance adopt the same approach across all three Axes?**

Yes, accepting that there will be different degrees of regionality for the three axes.

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**19. What mechanisms could be put in place to ensure that the advice provided is of a high standard that will help achieve the policy outcomes expected?**

Our view is that advice would be needed to guide applicants away from doing the easiest options and towards undertaking options that would generate greatest long-term benefit. This facilitating role is different from the traditional type of grant-focussed advice. This would require careful training, management and monitoring. The RPAC staff could provide an initial contact point from which further specialist advice could be sign-posted.

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**20. What areas of activity should the SRDP support in order to ensure that it complements activities supported through other funding streams?**

We believe the SRDP should support activities which will enhance the social, environmental and economic health of the rural sector – ideally all at the same time. By having a clear framework in which to function – delivering an agreed “vision” – it will make better use of available resources and bring about greater and more integrated public benefits. The RPAC will allow the integration

of other funding streams where particular schemes meet appropriate criteria (eg funds from the LECs, SEPA, FCS, etc.). It needs to be made clear how these pots of money will work together.

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**21. Do you have a view as to the potential impact of this programme on equality groups, such as those relating to gender, ethnicity, disability, sexual orientation, age and faith or belief?**

We are disappointed that this point has been left until last, it reflects a lack of a clear social agenda, and we would suggest that it should really have been placed upfront. The LEADER programme has been able to address these issues and the lessons learnt there should not be lost. The social element is missing from much of the document and we believe needs to be given greater emphasis throughout the scheme.

End.