The new Common Agricultural Policy in Scotland.

Scottish Rural Development Programme guide
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Background

The Common Agricultural Policy (CAP) has been regularly updated and reformed since it began in 1957.

The main aims of the Common Agricultural Policy (CAP) are to improve agricultural productivity so that consumers have a stable supply of affordable food and to ensure that farmers can make a reasonable living.

To achieve these aims, the CAP operates in three areas:

- Market support
- Income support
- Rural development

This booklet explains more about the rural development area, otherwise known as the Scottish Rural Development Programme (SRDP). This guide is a starting point and we will keep you up-to-date as we approach 2015.

We’ve also produced two other documents you may find useful:

- An introduction to what it means for you
- Direct Payments guide

You can keep yourself informed by visiting our website at: www.scotland.gov.uk/topics/farmingrural/agriculture/CAP

A new online system is coming

To make it easier for you to find out more about the new schemes and to apply for funding, we’re building a new online service. Rural Payments and Services will be easier, simpler and smarter.

We’ve developed an online introduction to Rural Payments and Services and a short film to guide customers and agents through what’s coming. Go to www.ruralpayments.org to find out more and sign up to take part in one of the focus groups or pilot.

Scottish Rural Development Programme

Rural development is Pillar 2 of the Common Agricultural Policy. In Scotland, this has been delivered through the Scottish Rural Development Programme between 2007 and 2013, where substantial investments were made to support the rural
economy and our environment. This investment has made a real difference to businesses and communities across rural Scotland.

Over the 2014 - 2020 period the Scottish Government is keen to build on this investment to ensure that the next programme addresses the specific needs facing Scotland. However this will be achieved against a backdrop of not only reduced funding from the EU, but also a continued decline in the Scottish Government's budget due to the spending decisions taken by the UK Government.

These funding pressures mean that our programme needs to be more focused on the key priorities facing Scotland and that support is targeted to areas where it will have the biggest impact. The specific priorities of the new Scottish Rural Development Programme (SRDP) 2014 – 2020 are:

- Enhancing the rural economy
- Supporting agricultural businesses
- Protecting and improving the natural environment
- Addressing the impact of climate change
- Supporting rural communities

We will also have a joint approach with other EU funding for business support, skills training, social inclusion / local development and advice.

The SRDP budget for 2014 – 2020 to deliver on these priorities will be over £1.3 billion. This will include European rural development funds, domestic funds and transfer of funds from Direct Payments of around 9.5% which is necessary to address the specific needs facing Scotland.

The new SRDP will be:

- **Simple** – with a clear list of schemes
- **Straightforward** – through an improved application process for land-based schemes and a two tier approval process through a partnership between Scottish Government’s Rural Payments and Inspections Division, Scottish Natural Heritage and Forestry Commission Scotland
- **Effective** – through better targeting, support for co-operative action and improved advice, and closer alignment with other EU and domestic funds
- **Customer focussed** – with improved guidance, enhanced customer support, an expanded advisory service and the Scottish Rural Network
- **Accessible** – through targeted support for small farms and an improved application / approval process for grants under £75,000 for land-based schemes
The support that will be available under the new SRDP includes:

**Less Favoured Area Support Scheme (LFASS)**  
**Budget allocation £459m**

This scheme provides essential support to fragile farming businesses in remote and constrained rural areas. The current scheme will continue, however it will be reviewed and a replacement scheme and designation will be in place by 2018. This scheme will be delivered by the Scottish Government’s Rural Payments and Inspections Division (RPID).

**Forestry Grant Scheme**  
**Budget allocation £252m**

Tree-planting is a significant rural contributor to the Scottish Government’s efforts to reduce Scotland’s carbon footprint. There will be a range of grants for woodland creation, agroforestry, tree health, woodland improvement, processing and marketing and sustainable management of forests. This scheme will be delivered by RPID and Forestry Commission Scotland.

**Agri-Environment Climate Scheme**  
**Budget allocation £350m**

This scheme will support environmental actions to maintain and enhance Scotland’s rich and varied natural environment. It will provide targeted support for land managers to undertake management and capital work for environmental purposes. It will also include £10 million of targeted support for slurry stores and £6 million for footpaths and other works to support access management. This scheme will be delivered by RPID and Scottish Natural Heritage.

**Support for Co-operative Action**  
**Budget allocation £10m**

We want to help rural businesses work together to deliver larger environmental benefits than could be achieved by businesses on their own. This scheme will be delivered by RPID, Scottish Natural Heritage and Forestry Commission Scotland.

**Beef package**  
**Budget allocation £45m**

We want to see economic and environmental improvements in the beef sector. We hope part of this will come from £32.5 million for support towards genetic resilience, plus targeted support for the beef sector through other budget lines including Knowledge Transfer and Innovation Fund and the Advisory Service. This scheme will be delivered by RPID, Scottish Natural Heritage and Forestry Commission Scotland.
New Entrants Support
Budget allocation £20m
We need to address generational renewal in the Scottish agricultural sector. Consequently, support will be provided for start-up grants for new entrant young farmers of up to 40 years old (as set by Europe). Further support will be available for new entrants, regardless of age, to access capital funding to improve their business. This support will be delivered by RPID, Scottish Natural Heritage and Forestry Commission Scotland. Additional support and mentoring will be delivered through the Advisory Service.

Crofting Support Scheme
Budget allocation £14m
The crofting sector is unique to Scotland and is a vital component of our cultural heritage. This scheme will provide grants to crofters to take forward improvements on their crofts which will help to sustain their business. This scheme will be delivered by RPID, Scottish Natural Heritage and Forestry Commission Scotland.

Small Farms Support Scheme
Budget allocation £6m
Targeted support for small farms that face similar issues as crofters regarding sustainability. The definition of small farms is currently being developed based on discussions with stakeholders. This scheme will be delivered by RPID, Scottish Natural Heritage and Forestry Commission Scotland.

Food and Drink Support
Budget allocation £70m
The food and drink industry is a key growth sector for Scotland. This will continue to provide support for SMEs in the food and drink sector with start-up grants for new enterprises, and business development grants. This scheme will be delivered through the Scottish Government’s Food and Drink Division.

LEADER
Budget allocation £86m
Since the early 1990s, the EU has pioneered LEADER, a local partnership based approach to rural development. LEADER enables individuals, communities and businesses to come together to design and implement local development strategies.

The LEADER Programme will provide support for the implementation of Local Development Strategies across Scotland. Support will be made available through Local Action Groups who will work with communities and businesses to help them achieve their ambitions.
£20 million has been allocated for specific support for small business growth, including £10 million for farm and croft diversification, which will also be made available through LEADER.

LEADER support will be delivered through Local Action Groups.

**Knowledge Transfer and Innovation Fund (KITF)**  
**Budget allocation £10m**

Scotland must take advantage of its strong performance in research and development and ensure that the learning from here and elsewhere can be transferred to on the ground improvement. KTIF will assist in the sharing and implementation of innovative ways of improving working practices along with continuing support for Monitor Farms. There will be a direct application process for this scheme.

**Advisory Service**  
**Budget allocation £20m**

Expanded Advisory Service which will provide advice and assistance to farmers, crofters, forest holders and other land managers. This service will be tendered out, with tenders being issued early 2015. We are aiming for this to be available from 2016.

**Broadband**  
**Budget allocation £9m**

Support for digital in rural areas. Delivery options are currently being explored.

**Technical Assistance**  
**Provisional Budget allocation £15m**

Including the Scottish Rural Network for supporting and promoting rural development through the sharing of ideas and best practice. This includes SRDP implementation, evaluation and monitoring.

**Questions and answers**

**How are the schemes delivered?**

A delivery partnership is made up of Scottish Government’s Rural Payments and Inspections Division (RPID), Scottish Natural Heritage and Forestry Commission Scotland. They will form an assessment network to ensure that the applications for the schemes identified above are assessed with the appropriate knowledge and expertise.
There will be two levels of entry for applications under this process (excluding LFASS):

- Level 1 – applications for grants up to £75,000 with continuous local approval. For forestry the threshold will remain at £750,000
- Level 2 – applications for grants above £75,000 which will be considered nationally by an expert panel

Applications will be limited to one per holding, per scheme, per year. This will ensure that funding is spread more fairly in the future.

**When will all of this happen?**

We aim to open the new SRDP in January 2015, subject to approval from the European Commission.

**When will I know more?**

Roadshows and meetings with stakeholders will take place in the autumn this year to explain the changes which are planned from 2015.

You can see the latest version of our timeline at [http://www.ruralpayments.org](http://www.ruralpayments.org)