SCOTTISH RURAL DEVELOPMENT PROGRAMME 2014 – 2020

RURAL DEVELOPMENT OPERATIONAL COMMITTEE (RDOC) – 24 October 2018

Minutes of the meeting

Present	Ian Davidson, Chair	SG - ARD	Alan Robertson	SG - SRN
	Jon Hollingdale	Community Woods	Alistair Prior	SG - SRN
	Susan Smith	COSLA (East Lothian)	Graeme Beale	SG - RESAS
	Jamie Farquhar	CONFOR	Kirsten Beddows	SG - ARD
	Vicki Swales	Scottish Env LINK	Shirley Graham	SG - ARD
	Ian Cowe	Forestry Commission	Jim Millard	SG - ESF
	Claudia Rowse	SNH		
	Alexander Bartovic	European Commission		
	Fiona Grossman	European Commission	**Secretariat**	
	Douglas Petrie	SG	Stoyan Stoyanov	SG - ARD
	Neil Ross	Highlands and Islands Enterprise (HIE)		
	Darrell Crothers	SEPA		

Welcome and apologies

1. The Chair, Ian Davidson, welcomed the members to the Rural Development Operational Committee (RDOC) meeting. He shared with the group his impressions from the recent visit with the European Commission to the area office in Inverness and Lynbreck Croft, near Grantown-on-Spey. The Chair also invited Fiona Grossman to share her observations about the work processes at the area office and her day out at Lynbreck Croft.

2. The Chair informed the group that Ewen Scott and Annette Sibbit (SRDP team) had been promoted and that Fiona Grossmann will soon be taking another post at the European Commission. The Chair congratulated Fiona and reflected on the good working relationship that they had developed. He also used the opportunity to welcome Shirley Graham who will formally join the SRDP team in November to replace Ewen.

3. Stoyan Stoyanov provided the list of apologies given: Elinor Mitchell - Director of ARE, SG, Brendan Callaghan – Forestry Commission, Vicky Dunlop – SG, Rachel Smith – SG, Ewen Scott – SG, Stephen Field – SEPA, Jackie Thomson – Orkney Island Council, Bryan McGrath – Scottish Borders Council, Neil Henderson – RESAS, SG and Andrew Watson - SG.

MINUTES FROM THE PREVIOUS RDOC HELD ON 25 April 2017 AND MATTERS ARISING

4. The Chair opened this section of the meeting by asking members if they had any comments on the overall content.

5. The minutes were accepted, as an accurate record of the meeting.

6. The Chair provided a short update on the actions and highlighted the work being undertaken to implement appropriate monitoring for the Agri-Environment Climate Scheme (AECS).

7. Claudia Rowse (CR) expanded on the Chair's comment and provided a short update on the progress of the preparation work around the implementation of a monitoring system and highlighted the main priorities that needed to be addressed. She emphasised that due to the complexity of the task there were three main issues that needed to be addressed. Firstly, the data that the Scottish Government (SG) holds needs to be analysed. Secondly, data from partner organisation needs to be utilised and lastly, activities around the collection of data need to be coordinated to maximise its impact.

8. Members of the committee welcomed the initiative and enquired about the proposed timeline for the completion of this initial assessment. The Chair expressed his hope that before the end of this year we should have a clear understanding about the scope of the task and the resource required.

STANDING ITEMS:
Programme Progress Report (RDOC/2018/0059) (Link to document**)**

9. Kirsten Beddows (KB) started by summarising the actions from the previous meeting and informed the group that all actions are closed.

10. CR expressed her disappointment in the proposal that the Joint Programme Monitoring Committee (JPMC) be disbanded, as she felt it contributed to the bridging across the SRDP and other structural funds. Sentiments for the maintaining of some overarching monitoring were also expressed by other members of the RDOC.

11. Jim Millard (JM) highlighted that communication across the RDOC and the JPMC has not worked as hoped and this type of defined separation might encourage the two groups to communicate more actively.

12. KB updated the group on the funding guarantees provided by the United Kingdom Government (UKG), which cover the EU element of the funding and guarantee that any contract that has been approved before the end of 2020, will receive funding for the lifetime of the project. Alistair Prior (AP) further clarified that the funding guarantee provided by the UKG does not apply to technical assistance.

13. Members questioned when the Scottish Government (SG) will provide guarantees for the domestic funding for the period after the UK leaves the EU. The Chair advised the group that funding cannot be guaranteed as the budget beyond 2018/19 is not known.

14. KB advised the committee that officials are still looking to get a clear definition of 'farm support' from the UK Government. She acknowledged that Department for Environment, Food and Rural Affairs (DEFRA) had suggested that 'farm support' might cover Pillar I and all of the SRDP, however, the final decision is for HM Treasury.

15. KB provided an update on the planned modification of the Scottish Rural Development Programme and advised that there is still work to be done, before the final version is submitted to the European Commission.

16. KB also informed the group of the amendment being done to the performance reserve and the current progress. She reassured the group that all options around the performance reserve are being explored.

17. Alan Robertson (AR) presented a video about the work of the Scottish Rural Network and talked about the upcoming visits of two Local Action Groups from Denmark and Estonia to Scotland. He also expanded on the upcoming Scottish Rural Parliament and the impact it has on rural communities. (Link to video)

18. AP introduced the group to the work of the Rural Innovation Support Service and advised that he will circulate a paper to the committee to provide further details.

19. Fiona Grossmann (FG) congratulated Alistair and Alan on the work that SRN has done. She also commented on the high quality of the videos that SRN produces and how well they capture the work being done to support rural communities.

ACTION 1: Secretariat to circulate a paper on the work of the Rural Innovation Support Service.

o **3.2: Scheme update (RDOC/2018/0060)** (Link to document)

20. KB updated the group on the current status of the schemes and advised that most of them were performing very well, with only one having a declining performance.

21. The group expressed concern about the number of AECS applications going down, which in their opinion had been exacerbated by the lack of agents. It was also acknowledged that more must be done to counteract this trend, especially since the previous years promotion campaign had not increased applications in 2018.

22. It was also queried about the low uptake of the co-operation/non-capital element of the Food Processing and Marketing Grant Scheme (FPMC), with a high rate of unsuccessful applicants. It was agreed to ask the FPMC team for further information

23. KB informed the group that the status of the Beef Efficiency Scheme (BES) had changed to amber, which resulted from the growing level of farmers that had withdrawn from the scheme.

24. Vicki Swales (VS) indicated that it was important to understand why farmers have started to withdraw from the scheme, as the economic benefits of the carbon audit are clearly evident and bring value to farmers.

25. The Chair recognised that there is a lot of uncertainty at the moment, which could be responsible for the lower than expected levels of AECS applications and BES withdrawals. Graeme Beale (GB) explained that it is normal to see such behaviour in times of uncertainty, as people don't want to commit too much without a clear understanding of what will follow.

26. Alexander Bartovic (AB) stressed the importance of tailoring the system to the needs of farmers by making it simpler, faster and more transparent.

27. KB informed the group that the last project that participated in the Broadband scheme had withdrawn and moved over to the Reaching 100 % programme (R100).

28. Members of the committee noted that there have been withdrawals from LEADER and expressed an interest in the cooperation element of the scheme and its effectiveness.

ACTION 2: FPMC team to provide information behind the statistics on the non-capital element.

4.　　Brexit Update

29. The Chair read the speaking notes provided by David Barnes (DB), which focused on the immediate issues for the UK's exit from the EU, the post Brexit period and DEFRA's Agriculture Bill.

30. ID reiterated the Scottish Government's position that Scotland preferred to stay in the European Union and if it had to exit then it should stay within the Single Market and Customs Union. Due to the current progress of the negotiations, ID advised that the Scottish Government had started to prepare for a No-Deal scenario, including working with UK Government.

31. ID also addressed the technical adjustments which will need to be carried out to retained EU law. This will involve the removal of many elements of EU law that would not make any sense if they are rolled into UK law word for word.

32. Regarding the post-Brexit period, ID broadly outlined the Scottish Government's short term plan. The existing schemes would continue for 2019 and 2020 to provide a period of stability, and from 2021 SG would aim to improve and, where possible, simplify the schemes.

33. ID further highlighted that SG will not at present recommend to the Scottish Parliament that consent be given to the Defra Bill. He iterated that it is because the UKG's behaviour on the EU (Withdrawal) Bill, fundamentally undermined the Sewel Convention on legislative consent. Moreover, SG and DEFRA disagreed on the interpretation of the reserved area of policy and its application to a number of clauses within the Agriculture Bill.

34. Jon Hollingdale (JH) acknowledged that simplifying the schemes, making them more relevant and making the application process user friendly is very important. He also emphasised that any changes to the schemes in the future should be based on what has been learned from the functionality and design of current schemes.

35. The Chair reassured the group, that SG is working to address this through the Stability and Simplicity paper. He will be co-chairing a Simplification Task Force and hoped some short term changes may be possible, within the current rules and IT system

36. The Chair also advised, that the ideas to take to the Simplification Task Force are being gathered internally, the next step will be a discussion with stakeholders and NGOs about options for simplification in the short term. He further informed the group, that there are no fundamental policy changes being explored prior to 2024 and, as discussed earlier, future funding continues to be unclear.

37. VS recognised that some of the statutory instruments being developed are going to be for Scotland and some will cover the whole of the UK. She enquired about what is being planned and at what stage stakeholders are going to be involved. Vicki expressed interest in receiving a list with the statutory instruments being planned.

38. AB informed the group, that the proposal for the next EU CAP is to remove much of the technical detail in the future legislation.

ACTION 3: A list of statutory instruments to be provided by the EU Hub.

5 Discussion of future priorities

39. Graeme Beale (GB) talked about the research that his department will be undertaking to better understand the public needs and expectations from the future agriculture support in Scotland. The aim of the study is to help outline and define the future priorities for agriculture.

40. GB advised, that the research is contracted out by SGs Rural and Environment Science and Analytical Services (RESAS) and will consist of interviews with members of the public, a national survey and citizens' assemblies. He informed the group, that they will aim to present their findings next summer, potentially at the Highland show 2019.

41. Graeme highlighted that it is good for their research to be finalised before Ministers publicly come out with their position on the future of agriculture 2021 – 2024 to guarantee the accuracy of the study.

42. ID encouraged members of the RDOC to submit suggestions for pilots, changes and improvements that are relevant to the programme. For example, should we start looking at an outcome based approach?

43. VS welcomed the work being undertaken by the Scottish Government, but cautioned against focusing too much on making changes and simplifications to existing schemes in the 2021-2024 periold. Current schemes, especially such as AECS, should be continued in this transition period but the main focus should be on identifying long term goals and desired outcomes for future policy and designing new schemes to deliver these. The opportunity to trial and test new approaches and schemes in the 2021-2014 period should be taken once the direction of future policy has been determined.

44. CR commented that stakeholders have already expressed their views and opinions in the Stability and Simplicity consultation and it would be useful to refer to that when rethinking the schemes.

45. Darrell Crothers suggested that a scheme similar to the Environmental Co-operation Action Fund would make a good pilot.

ACTION 4: Send an email to RDOC and encourage people to comment and respond.

6 Presentation by Douglas Petrie about the work of area offices

46. Douglas Petrie joined the meeting and provided the group with an overview of the work of area offices. ([Link to presentation](#))

7.   Annual Implementation Report (RDOC/2018/0061) (<u>Link to document</u>)

47. The Annual Implementation Report (AIR) 2017 had been approved by the European Commission and the Citizen's Summary had been circulated. In addition the SRN had prepared a short highlight summary. Comments were welcomed.

48. FG commented on the innovative design and suggested that it would be good to have more information about the practical outcomes, which people can quickly see and understand.

8.   AOB

49. Next meeting will be in April. Date pending.

EU RD Policy
November 2018

ACTIONS:

ACTION 1: Secretariat to circulate a paper on the work of the Rural Innovation Support Service.

ACTION 2: FPMC team to provide information behind the statistics on the non-capital element.

ACTION 3: A list of statutory instruments to be provided by the EU Hub.

ACTION 4: Send an email to RDOC and encourage people to comment and respond.