

POLICY NOTE

THE RURAL DEVELOPMENT (SCOTLAND) REGULATIONS 2015

SSI 2015/192

This note explains the purpose of the above SSI which is made in exercise of the powers conferred by section 2(2) of, and paragraph 1A of Schedule 2 to, the European Communities Act 1972. The instrument is subject to negative resolution procedure.

Policy Objectives

The purpose of the SSI is to provide the appropriate domestic powers to implement the Scottish Rural Development Programme 2014 – 2020 (“the SRDP”) which has been prepared under the framework of Regulation (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (“the Rural Development Regulation”).

The SSI includes provision for the making of applications and for their consideration by the Scottish Ministers and, in the case of applications for LEADER grant, Local Action Groups, as well as making provision for the payment of grants in respect of any approved applications. In addition, it sets out provision for the enforcement and recovery of grants and to allow authorised persons the right to enter land and undertake inspections to ensure that beneficiaries comply with the applicable regulatory requirements. In certain circumstances, breach of requirements under the SSI will give rise to potential criminal offences. Under the SSI, the Scottish Ministers will also publish guidance which should be had regard to when assessing applications or in relation to the exercise of other functions under the SSI. The SSI also provides some specific conditions for LEADER.

The SSI does not make provision for the Less Favoured Areas Support Scheme (LFASS) or Crofting Counties Agricultural Grants Scheme (CCAGS) which will continue to be covered by their own specific regulations. In the case of LFASS, this is regulated by the Less Favoured Area Support Scheme (Scotland) Regulations 2010 (as recently amended by SSI 2015/185). In the case of CCAGS, this is regulated by the Crofting Counties Agricultural Grants (Scotland) Scheme 2006 (as recently amended by SSI 2015/105)

Background

The SRDP (available at <http://www.gov.scot/Topics/farmingrural/SRDP>) will deliver Pillar 2 of the EU Common Agricultural Policy (CAP). The SRDP funds economic, environmental and social measures for the benefit of rural Scotland. The relevant EU Implementing Act giving final formal approval of the SRDP by the European Commission is expected by the end of May 2015. However, subject to that, the Commission has now completed its technical assessment of the SRDP as previously submitted to it and has indicated that it is content for it to be approved.

The SRDP will offer support through:

- Rural Development: Forestry Grant Scheme
- Rural Development: Agri-Environment-Climate Scheme (AECS)

- Rural Development: Environmental Co-operative Action Fund
- Rural Development: Beef Efficiency Scheme
- Rural Development: New Entrants
- Rural Development: Crofting Agricultural Grant Scheme
- Rural Development: Small Farms Grant Scheme (delivered through LEADER)
- Rural Development: Food Processing, Marketing and Co-operation
- Rural Development: LEADER
- Rural Development: Knowledge Transfer and Innovation Fund
- Rural Development: Advisory Service
- Rural Development: Broadband (delivered through Community Broadband Scotland)
- Rural Development: Less Favoured Area Support Scheme
- Rural Development: Crofting Agricultural Grant Scheme

The SRDP will fund the Scottish Rural Network, which will organise and facilitate national, regional and local initiatives and events; will promote good practice; disseminate information; and facilitate collaborative working.

LEADER

The SSI covers some particular conditions specific to LEADER. Regulation (EU) No 1303/2013 makes provision for Community-led local development in accordance with Local Development Strategies as designed and implemented by Local Action Groups (LAGs) (which are comprised of representatives from both the public and private sectors within a given locality). This is similar to arrangements in place in relation to the previous EU rural development rules and SRDP. The SSI therefore makes provision to enable the Scottish Ministers to reimburse and pay advances to accountable bodies (i.e. the local authority lead partner in relation to the particular LAG) in respect of LEADER grant. It also covers the need to conclude a service level agreement and the powers to act where there are breaches of the conditions by any accountable bodies.

Financial Effects

The expected budget for the new SRDP will be around £1.35 billion, and will be co-financed by the European Commission and the Scottish Government. The actual figure of funds will depend on changes to the co-financing rate. Each scheme has been allocated a budget and this will be kept under review during the programme period.

Consultation

The new SRDP has been in development, in conjunction with stakeholders, over the last 3 years. This process has included the setting up of stakeholder working groups to feed into the SRDP design, two public consultations, a series of public roadshows and regular bi-laterals with key stakeholders.

Impact Assessments

During the consultation and design process of the new SRDP a Strategic Environmental Assessment (SEA) and an Equality Impact Assessment (EQIA) were carried out. A

Business and Regulatory Impact Assessment (BRIA) is being prepared for these regulations.

Scottish Government Agriculture, Food and Rural Communities Directorate