
**AYRSHIRE JOINT STRUCTURE PLAN AND TRANSPORTATION COMMITTEE
2 JUNE 2006**

Consultation on the Rural Development Programme for Scotland 2007 - 2013

PURPOSE OF THE REPORT

- 1 To advise the Committee of the consultation on the new Rural Development Programme for Scotland and seek the Committee's approval for the draft response to the consultation.

BACKGROUND

- 2 Key drivers of the Rural Development Strategy and Rural Development Programme for Scotland are firstly that in the future the state is likely to reduce funding to farmers and secondly there is an increasing requirement for land managers to provide public benefits in order to receive public funding.
- 3 The consultation on the Rural Development Programme for Scotland follows a recent consultation by the Scottish Executive on the Rural Development Strategy, which will guide how Scotland uses European funds, domestic resources and funds allocated for agricultural diversification. The three themes proposed for the Rural Development Strategy are:
 - underpinning performance and quality in the agriculture, food processing and forestry sectors;
 - enhancing rural landscapes and the natural heritage; and
 - promoting a more diverse rural economy.
- 4 The consultation on the Rural Development Strategy sets out proposals for strategic outcomes for the Strategy; priority issues and a brief outline of the issues involved in its implementation. It was partly informed by the objectives set out in 'A Forward Strategy for Scottish Agriculture', published in 2006. The consultation on the Rural Development Programme (RDP) provides details of the proposed methods of funding to deliver the Strategy.
- 5 The Rural Development Strategy and RDP will both influence the review of the Scottish Forestry Strategy, as forestry clearly plays a significant role in rural Scotland and the proposed Land Management Contracts will provide funding for both farming and forestry.

- 6 The European regulatory framework for supporting rural development between 2007 and 2013 is provided in Rural Development Regulation (1698/2005), which has a requirement to prepare RDP's.

THE CONSULTATION DOCUMENT

- 7 The consultation document proposes that three funding schemes act as the building blocks for the RDP, these are:

- Less Favoured Area Support Scheme (LFASS)
- Land Management Contracts (LMCs)
- LEADER

- 8 Nearly all of Ayrshire is classed as a Less Favoured Area, which affords it extra funding to encourage the continued use of agricultural land.

- 9 LMCs are open to all land managers, including those involved in both forestry and farming, and are intended to encourage sustainable land management in Scotland. On the agricultural side, the LMC system differs from previous agri-environment schemes in that it does not limit the number of farms that can receive funding. LMCs are an important way of delivering the objectives set out in 'A Forward Strategy for Scottish Agriculture'. LMC acts as a whole farm system of support, which makes payments for the delivery of environmental, social and economic benefits. The LMC concept has three tiers:

Tier 1 - The Single Farm Payment and cross compliance

Securing a basic level of environmental protection, food safety and animal welfare.

Tier 2 - LMC Menu Scheme

Delivering widespread benefits leading to economic, social and environmental improvement for example management of small woodlands. Land owners can choose which measures they wish to deliver.

Tier 3 - development for 2007

Will deliver tailored benefits leading to economic, social and environmental enhancement for example the conversion of redundant farm buildings for residential letting.

- 10 LEADER is a European funding source that supports a locally based approach to economic and community development within rural areas. It has to be delivered through public – private partnerships known as local action groups.
- 11 From a regional perspective, a key proposal in the RDP is to establish Regional Project Assessment Committees (RPACs) to assess Tier 3 applications and make

recommendations for funding. It is proposed that the RPACs would be based on existing networks such as Community Planning Partnerships and Forestry Commission conservancies. A further important proposal is to develop Regional Rural Development Guidance (RRDG), which will guide the decision-making on funding applications. RRDG would identify local priorities for environmental, social and economic objectives in the RDP.

IMPLICATIONS FOR AYRSHIRE

- 12 The RDP could have significant implications for those living and working in rural Ayrshire as overall funding for farming practices is reduced and requirements are put in place to deliver public benefits, such as rural diversification and habitat enhancement, in order to receive public funding. This may lead to positive effects on the landscape, for example, as hedgerows are restored and small woodlands are brought back into active management. But the Tier 3 funds also have the potential to stimulate rural diversification through innovative schemes such as the installation of small-scale renewable energy developments and the provision of tourist visitor facilities. This is likely to mean the land use planning system will have to respond in a more pro-active way with farm management and changes in agricultural practice than at present. However, agri-environment and rural development schemes are not new in Ayrshire, nor is the level of funding available likely to be such that it leads to dramatic changes in the nature of the countryside.
- 13 The RPACs have to be accommodated within the regional public sector framework and whilst this may cause initial resource burdens for organisations likely to be present on the RPACs, there is also the potential for them to influence how significant sums of money are spent to provide public benefits in rural areas. Within national parameters, this can be done to reflect regional priorities as developed in documents such as the Ayrshire Joint Structure Plan, Community Plans, the Ayrshire Local Biodiversity Action Plan and the Ayrshire and Arran Woodland Partnership. Again, in this respect the land use planning system may have a greater influence over rural areas than has previously been the case.

CONCLUSION

- 14 The proposals for the RDP should generally be welcomed as they go further towards ensuring that public benefits are delivered from public funding and that all land managers have the opportunity to choose to deliver these measures. Further details are required as to how the RPACs will operate but potentially they may lead to greater integration of rural development and land management with land use planning. Finally, it should be noted that whilst the draft Rural Development Strategy and the RDP propose quite significant changes in the way land management and rural development is funded, the changes to rural areas themselves, whilst notable, are unlikely to be dramatic.

RECOMMENDATION

- 15 The Committee are asked to approve this report and the attached response to consultation on the Rural Development Programme for Scotland as per the attached Appendix 1.

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APPENDIX 1

Rural Development Programme for Scotland 2007 - 2013 – Response from the Ayrshire Joint Structure Plan and Transportation Committee

1. INTRODUCTION

1.1 The Ayrshire Joint Structure Plan and Transportation Committee (AJSPTC) is formally constituted to provide strategic planning, development and transport advice to East, North and South Ayrshire Councils.

2. COMMENTS ON THE RURAL DEVELOPMENT PROGRAMME FOR SCOTLAND 2007 - 2013

AJSPTC broadly welcomes the proposals for the RDP. It is positive that funding is largely being allocated towards land management that produces public benefits, such as habitat improvement. AJSPTC supports the concept of Land Management Contracts (LMCs) and believes they would enable the integration of the large number of existing rural incentive schemes, whilst providing a baseline funding for environmental protection.

3. RESPONSE TO THE SPECIFIC QUESTIONS

Do you agree with the proposed integration of schemes into LMCs?

The proposed integration of schemes into LMCs on the whole seems sensible in order to reduce confusion about the different sources of funding and make funding streams available to as many land managers as possible. However, AJSPTC agrees with the consultation draft that LMCs are not appropriate for certain schemes and actions. One measure where this is likely to be the case is in the Woodlands In and Around Towns initiative, which provides support for woodland planting in and around urban areas. Whilst this is related to land management, it falls outside the rural focus of LMCS and so would be more suited to a separate funding source. More detailed comments on this are provided in AJSPTC's response to the recent review of the Scottish Forestry Grant Scheme

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

AJSPTC supports the concept of RPAC in that they allow for some decentralisation of decision making and for regional and local priorities to be taken into account. AJSPTC believes that there should be some representation on the Committees from the local authorities, to allow a link to be made with the land use planning system and also to allow for local democratic representation.

It is important that the administrative burden of RPACs is kept to a minimum, as meetings of Committees could potentially be frequent and a drain on the resources of those attending. Whilst it is understandable that there should flexibility in the system and several assessment rounds, there should not be an assumption that these would all require meetings of the Committees.

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

AJSPTC agrees with the proposals to develop guidance on regional and local priorities for the delivery of funding, as this will allow greater integration of land use management in rural areas with land use planning. The Structure and Local Plan system is already in place, which reflects the priorities of local communities and has been developed in consultation with the public and stakeholder groups and is accountable to democratically elected councillors. It is important then, that the rural development guidance has to at least take account of these plans, and ideally the 'regions' should be based at a level which connects well with local authorities boundaries.