

Main points from LINK meeting with Minister, 9 May 2012

Attending:

Scottish Government (SG) - Stewart Stevenson, Keith Connal, Gareth Heavisides

LINK - Deborah Long, Vicki Swales, Angus Yarwood, Jon Wordsworth, Ben Darvill, Jen Anderson

1. From last meeting – Active Travel:

The Minister had indicated SG could consider a stakeholder group but now said shrinkage of budget meant less capacity; he was interested in The Bike Shed, would take points and encouraged LINK to dialogue with particular officials with cycling in mind (Kirsty, Rachel). LINK would pursue.

2. LUS

LINK welcomed announcement of June event, though was concerned at progress to embed LUS principles in other policies. The Minister said NPF3 would be informed by LUS and its 1st year review, and LUS fed into CAP reform, Budget, Woodland, informing SG views. It was complex and the timescale for its 'embedding' across Govt was uncertain. He invited comments on specific gaps; LINK would respond. VS noted a belated presentation re LU to the CAP stakeholder group and was aware of other discussions where this was a gap: was there a mechanism to gauge how to embed the LUS principles? The Minister hoped this would be part of the review process in the wake of the first year; he felt a year was a short time in which to come up to speed on a broad initiative. What were our concerns? LINK said lack of communication about the process and SG thinking was a problem in itself which a stakeholder forum would address. KC argued newness (action plan published December, first event June), inviting dialogue after June on whether the situation has improved, confirming discussions with planning colleagues on NPF3 which should be reflected in the statement to come. LINK reiterated the strongest support for LUS and was keen that others see its strength. The Minister acknowledged and welcomed LINK support and engagement. WRT a stakeholder process, his defence was newness of process, he challenged LINK about what level a group should operate at (right at the top?); strong case needed for SG to commit resource. LINK would respond after June, and remain proactive.

3. WEAG

LINK explained that VS who sat on the WEAG would not take part in the discussion on this item.

LINK had taken on the chin SG's decision not to give LINK a place on WEAG, engaging fully in the consultation process and providing additional papers; members were keen to see a plan-led approach, supporting native woodland expansion at local, regional, national levels, in ways that protect priority habitats and species, historic and landscape interests, delivering broader management benefits and 'productive' woodland in the broadest sense – including flooding, rural, urban and peri-urban needs. Existing regulation and policy could deliver a lot, prevent conflicts and cost; eg making sure all SRDP funds for planting (any size) came under UK Woodland Forest Standard. LINK supported right trees in right place approach, and guidance on this for LAs, though asked how this fitted with new SRDP. How SG would ensure independent advice on appropriate funding for right trees in different areas was critical in relation to agri and CAP, too. What was the process after June in relation to SRDP stakeholder groups? How swiftly would SG respond to the WEAG report?

The Minister noted the 10,000 ha pa target (which SG were reaching) as the context; SG wanted the right balance between traditional and productive, accepted that traditional can be productive though saw a need for more short-cycle productive, to support significant rural enterprise potential and wider environmental benefits. He understood 'right trees right places' requirement esp. after the debacle in the Flow Country and found Durban helpful in confirming the role of peatlands. SRDP and CAP did relate and SG wanted support payments in Pillar 1 greened though saw these as important long term commitments without which farmers had no business certainty. SG wished to see right balance through SRDP forestry grants, though current EC draft would damage biodiversity and it was unclear where discussions would go on this. LINK noted native woodland planting had fared less well, and reminded the Minister of the SFS ambition for a high percentage wrt. discussion about 'right mix'. LINK noted WEAG very critical of large scale block planting by private sector as opposed to kind of mix advocated by NGOs. The Minister acknowledged historic planting had not given thought to cycles, harvesting of all types, and said policy must ensure harvesting plan and proximity of productive

blocks to each other, noting that large forests reduce the opportunity for fringe effects. LINK reiterated importance of plan-led process and broader management of existing woodland with funding available to local communities for that. Anecdotal evidence indicated that small scale hardwood processing employs more than larger mills with higher outputs. The Minister agreed this was the case, noting different potential of the products and leavings (for heat and power in the move to large scale combustion). LINK to write to the Minister in June as WEAG report reaches him, on key asks.

The Minister reported substantial interaction with CAP reform discussions and noted that Scotland's varied geography called for diverse approaches to land use.

DL for Plantlife supported a plan-led approach for many habitats where woodland is internationally important as a component; also natural regeneration for many benefits incl. better species survival, noting in response to the Minister's comment on deer densities that there are ways to manage deer other than fencing which is not good for many species. Points covered including the lower costs of natural regen, greater amenity value, possible challenges to farmers of natural regen, as opposed to organisational owners. The Minister agreed CAP doesn't recognise need for flexibility over stocking.

4. CAP

LINK acknowledged the current state of negotiations, the complexity, relevance of EU Budget discussion outcomes, impact of EU parliamentary involvement on the process. LINK was interested in where SG saw real opportunity to deliver greener CAP, and concerned at some current proposals.

WRT direct payments, very important area and largest budget share, LINK saw opportunity to end up with fairer, greener CAP for Scotland esp. via a rejuvenated model. EU rates would impact how this is done. There was opportunity to increase support for HNV farming and crofting (vulnerable economy) and move away from the status quo where most funding goes to arable productive (less economically in need). LINK made a strong plea for Scotland not to be treated as 1 region, for these directions to be pursued in terms of perhaps 3-4 regions, in discussions behind the scenes. WRT greening, LINK saw eligibility and definition of grassland as key issues, welcomed Cab Sec's recent address to NFUS on greening for its indications on the need and importance of greening, the reality of environmental problems (often deprecated by farmers). LINK pleased at the discussion of 'how', rather than 'if', recognised devil would be in detail and shared SG concerns. LINK saw EFAs as key to delivery here: a critical opportunity to support biodiversity and ecosystem approaches (eg pollination), by outcome/objective-focus, and via planned, multi-annual benefits. How could the 7% really deliver?

The Minister agreed the scheme on the table would reduce biodiversity, said the final scheme needs be implementable by government and participants, without heavy reliance on advisory services and fear of penalties. Scotland had under-benefitted from Pillar 2 and needs to be able to offer different regimes, 'within state', to recognise great variation across varied geographic area like Scotland (and UK). Scotland had tried to relate opportunity to location but the EU process bogs initiative down.

LINK observed that Scotland has good relevant mapping of resources which could inform the debate. The Minister argued that ownership of data prevents this but LINK felt agreement had been reached to exchange information and argued that Scotland can't aim towards a system where knowledge is central, without investing in the ability to make that knowledge available. The Minister accepted the point though wondered at what unit size the line might be drawn.

LINK argued for an advisory system underpinning Pillars 1 and 2 as a piece as being critical to achieving the new objectives of CAP reform. The Minister was concerned that cost of advice would limit uptake; LINK argued that change of direction should be mandated so that desired outcomes can be guaranteed by design of schemes. KC asked how LINK felt other countries viewed this, noting that Government know Scotland's wants. LINK reported many concerns were widely shared and pressed for more support for EFAs as a platform to build on, appropriate to Scotland. LINK noted concerns around organic arrangements given the limit to equivalence across the EU and weaker environmental standards in some other countries in relation to biodiversity especially. Could the threshold be raised? The Minister felt lack of options for cropping was a problem for many farms. LINK felt EFAs offer strong potential benefits for historic environment and landscape issues to which Scotland and UK are signed up via the EULC, ie to deliver multiple benefits and flagged the issue around gorse and cropping. The Minister invited LINK to log these points clearly. LINK argued for greening to work across all farming sectors, including intensive (which current thinking would not), and covering diffuse pollution issues. EFA could apply to all types/sectors of the industry, whatever size, 'excluding permanent grassland' and with a menu of options and this could maximise potential to achieve best results from the funding. KC asked about unintended consequences of this approach; LINK saw main issues in arable sector, proposals don't currently address livestock and intensive farming; policy could

ensure things around extensive livestock rights to grazing, so long as ecological benefits being delivered. The Minister felt this went in the direction of agri-business delivering for environment and production; LINK noted that this was where cross-compliance should also come into play.

On cross-compliance LINK argued it is critical that sanctions underpin policy and payments – inspection, enforcement had to happen. LINK voiced concern at the removal of requirements of the Birds and Habitats Directives arguing that as sticks to support carrots these were very important. LINK hoped the UK was making this case to the EU (in relation to our meeting EU obligations ultimately). The Minister confirmed this, noting that the biggest threat to cross-compliance is budget reduction; whilst the UK Minister was clear, the Treasury's position was perhaps different. KC noted general pressure across the EU to reduce the CAP significantly. LINK argued that this strengthened the case to use a more limited pot very effectively towards desired outcomes and noted that historically less funding had gone to smaller/marginal farms. The Minister noted less support should go to people not actively engaged in farming but LINK saw these players as peripheral, in comparison to the large funding currently going to some businesses that simply did not justify that level of public support – strongly advocating a public goods led approach. The Minister nodded.

WRT RDR and next SRDP, LINK welcomed efforts by Scotland and UK to get better funding. The Minister noted that UK has set up a group of interested players. LINK felt there was still not sufficient funding for modulation, and argued for a shift of funds to Pillar 2. KC indicated the Cab Sec had no settled view, noting the difference between UK and Scotland, and concerns about the dramatic reduction in Pillar 1; there was still all to play for in whether flexibility would be available across regions. LINK resists plans from modulation from Pillar2 to Pillar 1, which would fly in the face of evidence for a shift in the opposite direction. The Minister indicated SG would not be in favour. LINK noted a case could yet be made by eastern EU countries and was already in the proposals. Otherwise, LINK felt that the regulation as it stands permits quite a lot and the next big question is how SRDP develops.

LINK appreciated progress on SRDP development and places on the groups where there was some very constructive discussion. Funding limitation had focussed minds on regional priorities in which advice would be critical to back up objectives; this suggested greater funding in advice than for the measures themselves which LINK supported; farmers too were calling strongly for more advice. To KC's indication that Government favours a simpler, better scheme, LINK advocated greater accessibility for applicants rather than simplification of options; fewer options would not deliver for the countryside and public benefit where desired biodiversity and ecosystem service outcomes wouldn't be 'simple' to achieve. Integrating business and environment advisory services would achieve a greater return on investment in terms of outcomes, as well as encouraging 'whole farm' approach and over time a transformational shift. The Minister observed that it is about balancing.

LINK also made a plea for greater monitoring and evaluation to support and justify the greater investment. The Minister accepted the principle and KC added that a contract had been let.

DL thanked the Minister and the meeting closed.

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