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Convenor to the Public Audit and Post-legislative
Scrutiny Committee
The Scottish Parliament
Edinburgh
EH99 1SP

5 June 2017

Dear Ms Marra

COMMON AGRICULTURAL POLICY: UPDATE

Please find enclosed the latest monthly report from Scottish Government officials. The report provides information on progress since our last report dated 3 May 2017 and provides information on issues arising over that period.

I have copied this update to the Convener of the REC Committee, Mr Mountain MSP.

I am planning to send the next report at the beginning of July.

Elinor Mitchell

MAY UPDATE – All figures correct as of 5 June 2017.

2016 Payments

BPS, Greening and Young Farmer

We continue to make progress with 2016 payments. 9,903 businesses have now been paid their interim BPS / Greening 2016 payments. The first payment is at 90% of value and we aim to begin making balance payments week commencing 12 June.

Scottish Suckler Beef Support and Scottish Upland Sheep Scheme

The first of the Scottish Suckler Beef Support payments were initiated week commencing 29 May. So far we have made 1600 payments to the value of £6.6 million. Payments are expected to arrive in bank accounts week commencing 5 June. I regret that we will not make SUSSS payments in May but we are on track to deliver SUSSS payments by end June.

Rural Priorities

We continue to work towards having the functionality to begin payments in the summer.

LMO, Beef Efficiency Scheme, AECS and Forestry Grant Scheme

We continue to work towards having the functionality to begin payments in the autumn.

LFASS Loans 2016

To date, 11057 LFASS 2016 loans have been offered to the value of £55.5m. Of these, 8043 loans have been processed to the value of £48.7m. A total of 1068 LFASS 2016 claimants have yet to be made an offer. Of these:

- 206 businesses are potentially eligible for a loan and manual calculations for each of these are currently being processed.
- 154 businesses need to supply their animal declaration before a loan offer can be considered. They were written to in March, but we are arranging for a chaser letter to be sent.
- 44 businesses with no SAF in the historic base year have been written to by area offices requesting further information to assist with moving the case on and providing information that will support a potential loan offer, and in due course, a scheme payment.
- We currently consider the remaining 664 businesses to be ineligible, noting that with ongoing processing, the position is dynamic and may result in slight discrepancies in total numbers and cases changing category.

2017 SAF applications

The SAF 2017 window closed on 15 May 2015 however we are still receiving applications. Applications received after the application window closes may be subject to penalties. The table below outlines the number of applications we have received to 1 June.

2017 SAFs submitted	
Total SAFS submitted at 15 May	19853
Total SAFS submitted After 15 May	174
Total number of applications to 1 June	20,027

Reductions & Exclusions Letters

Resolutions have been put in place to fix the small number of technical defects that were inhibiting the population of the R & E letter. These fixes are currently being tested with the aim of completing testing this week. In parallel we are finalising guidance and training for area office staff so they can help customers who may have queries. Once this and, subsequent dependent data fixes, have been carried out, we will start to send out the R & E letters.

Fujitsu Technical Assurance Review

We invited committee members to join members of the Rural Economy and Connectivity committee at a private session to discuss the report. A meeting has now been scheduled for 9 am Wednesday 7 June.

2015 Payments

2015 Payments - Total. All numbers stated correct as of 31 May 2017

Over 40,000 payments in total made to businesses and farmers

- £474 million paid out in total

2015 Payments – Pillar 1. All numbers stated correct as of 31 May 2017

Over £385 million paid out across Pillar 1 schemes

- 99.7% of those eligible under the Basic Payments, Greening and Young Farmer schemes have received payment (£343 million)
 - 30 payments are still outstanding (£0.11 million)
- 99% of those eligible under the Beef and Sheep schemes have received payment (£42.2 million)
 - 36 payments are still outstanding (£0.13 million)

2015 Payments – Pillar 2. All numbers stated correct as of 31 May 2017

£89.44 million paid out across Pillar 2 schemes

- 98.8% of those eligible under the Rural Priorities Scheme have received payment (£25.97 million)
 - 42 payments are still outstanding (£0.5 million)
- 98.2% of those eligible under the Land Managers Option scheme have received payment (£3.18 million)
 - 50 payments are still outstanding (£0.09 million)
- 85% of those eligible under the Less Favoured Area Support Scheme with 7931 having received payment (gross value £51.31 million).
 - 1736 have received loans equalling their total payment and will receive no additional payment (gross value £1.4 million)
 - There are 1706 outstanding claims (gross value £12.57 million).

2015 Payments – Loans. All numbers stated correct as of 31 May 2017

16,357 businesses received over £147.13 million in loans

- 5,286 loans were made in respect of the 2015 Basic Payments Scheme with a value of £93 million of which 99% has been recovered.
- 11,056 loans were made in respect of 2015 LFASS with a value of £54 million of which £42.9 million has been recovered to date.
 - £11.1 in loans remains to be recovered from outstanding LFASS payments
- 15 loans were made in respect of hardship (£0.132 million) and have been recovered from 2015 BPS payments.

2016 Payments

2016 Payments - Total. All numbers stated correct as of 5 June 2017

BPS/Greening/Young Farmers

- 9903 payments have been made totalling £162.88 million

Voluntary Coupled Support

- First payments (for Beef) have been processed on w/c 29 May 2017
- 1600 payments have been made totalling £6.6 million