

Directorate for Agriculture and the Rural Economy

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Convenor to the Public Audit and Post-legislative
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30 April 2018

COMMON AGRICULTURAL POLICY

Please find enclosed the quarterly report from Scottish Government officials. I am writing to update the Committee on progress with the Common Agricultural Policy (CAP) Plan for Stabilisation and other matters which relate to the delivery of Rural Payments.

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

I am planning to send the next quarterly report in June.

Elinor Mitchell

This update contains:

1. Payment Performance
2. The CAP Plan for Stabilisation
3. Audit Programme

1. Payment Performance

Payment performance for the 2016 Schemes is now contained in the annex.

2017 Basic Payments Scheme Payments (BPS)

Monthly Update (data captured on 30 April 2018)

BPS 2017 Payments			
BRNs whose payments have been processed			4068
Value of payments made:			
BPS	Greening	Young Farmers	Total
£43.1m	£22.5m	£138k	£65.7m
			€73.5m

VCS 2017 Payments		
Scheme	Total paid (£)	Total paid (€)
SSBSS (M)	18.7 m	20.9m
SSBSS (I)	4.8m	5.4m
SSBSS (M & I)	23.5m	26.3m

Less Favoured Area Support Scheme (LFASS) 2017 Loans	
BRNs Paid	Loan Value Paid
8125	£51.1m

2. CAP Plan for stabilisation

Payments

Through the BPS2017 loans scheme, we have made payments totalling over £317 million to more than 13,500 farmers and crofters offering more money than ever before and at an earlier time. Additional automation has been introduced into the management of the scheme to increase efficiency and mitigate risk. The scheme closed on 9th February 2018.

We have started payments under the 2017 Basic Payment Scheme (BPS) as well as Scottish Suckler Beef Support Scheme payments as noted in the table above.

Land Parcel Information System - LPIS

The introduction of the new Land Parcel Identification System (LPIS) is an essential part of our plans to stabilise the CAP payment system and will provide a much more stable platform for future payment cycles.

It has two main parts – first the migration and use of updated and enriched data and second, the adoption of an online tool which will enable customers to be able to submit proposed updates to their maps.

This is a substantial and critical piece of work – including digitising 700,000 pieces of land to an extremely high level of precision. We have made the first successful data migration of updated and cleansed land parcel information. We expect the tool to be available in view-only mode in May, with full functionality becoming available in summer. We are planning appropriate engagement with customers to familiarise them with the system and functionality.

Single Application Form 2018 (SAF 2018)

There have been 6,742 SAFs submitted to date (29/4/18) compared with 5,264 submitted by the same date in 2017. Of these, 5,392 *are online* compared with 4,496 at this time last year.

We have made good progress with our campaign to encourage our farmers and crofters to apply online during the SAF 2018 window. We have written to every customer who applied offline in 2017 and made a specific offer of support to submit their SAF online. We have provided one to one support to customers through the area office network.

IT Stabilisation

The Rural Payments & Services (RP&S) IT Platform continues to remain stable and resilient with 99.68% availability over the last 30 days. Downtime to introduce enhancements or new functionality continues to be planned and pre-announced.

In December 2017, we successfully completed a controlled test of the automated failover elements of our Disaster Recovery plan. We have now successfully completed the full end-to-end Disaster Recovery test (RP&S fail over to remote site and back) in February 2018. Remaining issues and improvements identified as expected during the test will be applied and tested in a follow up exercise in Mid-July 2018.

Resourcing

We have made good progress with our resourcing plan. We have recruited over 200 posts to help address skills gaps, improve knowledge transfer, reduce dependency on contractor resource, and increase staffing and management capacity in areas of high workload.

3. Audit Programme

The annual Certification Body audit, undertaken by Audit Scotland on behalf of RPID, has been completed for 2017. The audit report concluded that there were no material misstatements and an unqualified opinion has been provided on the EU accounts, which were submitted on time to the European Commission by the deadline of 15 February 2018. The accounts are now subject to Commission clearance procedures.

Three European Commission audits are in progress as part of the EC's cyclical audit programme, covering Area Aids (Pillar 1 payments), Entitlements and Cross-Compliance. Responding to these takes significant staff time and effort and this work is will continue into 2019.

Annex on 2016 Basic Payments Scheme Payments (BPS)

Monthly Update (data captured on 30 April 2018)

BPS 2016 payments	
Value of payments made (to date)	£ 384.2m
	€ 450.8
BRNs whose payments have been processed (to date)	17843
BRNs still to be paid	1 (value €43k)
The above figures include Basic Payment Scheme, Young Farmers and Greening payments.	

VCS 2016 payments		
Scottish Suckler Beef Support Scheme (Mainland) and (Island)	No. of payments	7018
	Value of payments	£37.5m
	% of anticipated total value	100%
Scottish Upland Sheep Support Scheme	No. of payments	1009
	Value of payments	£6.6m
	% of anticipated total value	100%

Pillar 2 (1) - LFASS

Less Favoured Area Support Scheme (LFASS) 2016	
Total number of claims	12098
Potential eligible claims	11272 (This number will fluctuate as applications are processed and some found to be ineligible.)
Number of claims processed	10,856
Value of payments	£63.1m
% of anticipated total value	96%
Number of claims still to process	416

Pillar 2 (2) – other schemes

Pillar 2 2016 Payments			
Scheme	Eligible Claims	Claims paid	% progress of payments made
LMO	1373	1356	98%
Rural Priorities	2856	2828	99%
AECS	519	512	99%
FGS	38	37	98%