

**Directorate for Agriculture and the Rural Economy**

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**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 September.

Elinor Mitchell

This update contains:

1. Payment Performance
2. The CAP Plan for Stabilisation

## 1. Payment Performance

### 2017 Payments Monthly Update (data captured on 02 July 2018)

BPS payments 2017	
Value of payments made (to date)	£393.3m (98.2%)
	€ 439.6m
BRNs whose payments have been processed (to date)	17423 (97.6%)
BRNs still to be paid	427
The above figures include Basic Payment Scheme, Young Farmers and Greening payments.	

VCS Payments 2017		
Scottish Suckler Beef Support Scheme (Mainland) and (Island)	No. of payments	6673
	Value of payments	£39m
	% of anticipated total value	97.0%
Scottish Upland Sheep Support Scheme	No. of payments	1063
	Value of payments	£6.8m
	% of anticipated total value	95.7%

## Pillar 2

Pillar 2 2017 Payments			
Scheme	Eligible Claims	Claims paid	% progress of payments made
LMO	756	530	70.0%
Rural Priorities	2094	793	27.4%
AECS	1346	258	12.6%
FGS	248	43	8.2%

## **2. CAP Plan for stabilisation**

### **Payments**

More than 95.24% of Common Agriculture Policy Pillar 1 payments have now been made.

This represents more than £393 million of Pillar 1 payments for the 2017 scheme year being successfully paid to around 17,400 eligible farmers and crofters ahead of the payment deadline.

Many farmers and crofters receiving their payment, had already received up to 90% of their entitlement through the government's loan scheme offered in early November.

This demonstrates the progress we are making in delivering CAP payments, which support jobs and investment across the rural economy.

Our focus now moves onto ensuring that the remaining payments under CAP are made as swiftly as possible.

### **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 improve future payment cycles.

It has two main parts, first the migration of enriched data and second, the adoption of a tool which will enable agents and customers to be able to submit proposed updates to maps online, instead of via a paper form as they do now.

This is a substantial and critical piece of work which involves digitising over 700,000 pieces of land to an extremely high level of precision. We made the first successful data migration in to RP&S in April and plan to complete the second and final data migration over the summer.

We expect the new LPIS tool to be available from late August and we continue to engage with agents and customers to keep them updated on progress. We will be providing further detailed updates on the system and functionality nearer to the go live date.

### **Single Application Form 2018 (SAF 2018)**

A record number of farmers, crofters and land managers have submitted their Single Application Form online.

As at midnight on 15 May 2018 a total of 19,579 farmers, crofters and land managers had submitted a Single Application Form.

17,398 (88%) of submissions received for support under the CAP Pillar 1 and 2 schemes were submitted online – representing a 10% increase on the previous year.

The record number who chose to apply online have benefited from having their application automatically checked for errors – reducing the risk of financial penalties and enabling their application to be validated straight away.

### **Digital Platform Stabilisation**

**Availability:** The Rural Payments & Services (RP&S) Digital Platform continues to operate effectively and has been consistently available to internal and external users. For example, during the SAF application window from 15 March 2018 to 15 May 2018 the system was available for 99.47% of the time.

We successfully completed the full end-to-end Disaster Recovery test (RP&S fail-over to remote site and back) in February 2018. We will rerun this at regular intervals.

**Security:** In November 2017 the Scottish Government published its Cyber Resilience Strategy advising that all Scottish Public Body run IT systems should be accredited to the Cyber Essentials standard. In line with this, we have been working with SG Digital Security to achieve Cyber Essentials accreditation.

**Delivery:** New functionality and maintenance releases are now consistently delivered onto the RP&S Digital Platform on the planned dates enabling business processes to be carried out in accordance with regulatory deadlines and the dates in the published CAP Plan for Stabilisation.

**Digital Strategy:** We are embarking on the first part of ARE's Digital Strategy, and this will be done in unison with Brexit planning.

Our major contracts expire in the in the Spring of next year. We are planning to procure a new digital service partner to deliver and support our CAPs systems (RP&S and legacy) while we still have a commitment to the EU and through subsequent Transition. A Sourcing Strategy to determine how we deliver services beyond then will be developed alongside the Digital Strategy.

### **Resourcing**

We continue with our plans to reduce our dependency on contractor resource.