

EXECUTIVE NOTE

The Rural Development Contracts (Rural Priorities) (Scotland) Regulations 2008 SSI/2008/100

The above instrument is made in exercise of powers conferred by section 2(2) of and paragraph 1A of Schedule 2 to the European Communities Act 1972. The instrument is subject to negative resolution procedure.

Policy Objectives

The purpose of the instrument is to create a legal framework to allow Scottish Ministers to pay European and national funds from the Scotland Rural Development Programme 2007-2013 (SRDP) to beneficiaries of Rural Development Contracts (RDC) Rural Priorities and operate the application process. RDC Rural Priorities will contribute to delivery of the Scottish Government's strategic objectives through regional priorities agreed with stakeholders for each of the 11 SRDP RDC Regional Project Assessment Committees (RPAC) regions.

Background

There are a number of Scottish Statutory Instruments (SSIs) for the SRDP in the process of being made reflecting the EU rules and allowing Scottish Ministers to implement the SRDP.

The European priorities for 2007-2013 are laid down in the Rural Development Regulation (Council Regulation (EC) 1698/2005 and consist of 4 Axes:

- Axis 1 – Improving the competitiveness of the agriculture and forestry sector
- Axis 2 – Improving the environment and countryside
- Axis 3 – Quality of life in Rural Areas and diversification of the rural economy
- Axis 4 – LEADER

RDC Rural Priorities cover measures (referred to as options in the 2008 Regulations) in the SRDP across the three main thematic Axes 1, 2 and 3.

To achieve these priorities in Scotland, the five main outcomes are those established for rural development in the Scottish National Strategic Plan as follows

- Improved business viability
- Enhanced biodiversity and landscape
- Improved water quality
- Mitigating climate change
- Enhanced development of rural communities

The 2007–2013 SRDP aims to contribute to all these outcomes and so will RDC Rural Priorities as part of the Programme.

Rural Priorities, together with Land Managers' Options (LMO), for which there will be a separate SSI, make up the Rural Development Contracts funding stream under the SRDP 2007-2013 approved and partly funded by the European Commission. Although Rural

Priorities is new for 2007-2013, it brings together a range of separate schemes previously available both within and outwith the 2000-2006 SRDP, for example Rural Stewardship and Farm Business Development, and builds on these with new measures.

RDC Rural Priorities is a competitive, targeted scheme open to a wide range of beneficiaries including land managers, members of farm households, rural businesses and community groups. Funding is available for a wide range of environmental, social and economic measures.

The focus of RDC Rural Priorities is on the delivery of priority outcomes with an emphasis on collaboration to deliver integrated and/or landscape scale benefits. Priority outcomes are set at a regional level in partnership with stakeholders but must fit within the context of the Scottish National Strategic Plan fully taking account of the related national rural strategies.

Those who wish to apply for support under RDC Rural Priorities will have access to information about regional priorities, the advice of a case officer, and web-based guidance and information about appropriate packages of options to deliver priority outcomes in their regions. Applicants will be expected to provide an outcome based plan with their application for funding and the applications will be assessed by RPACs comprising Scottish Government and other Government officials with expertise relevant to the proposed project.

Regulations

The 2008 Regulations will make provision for:

- Guidance material
- The content and timing of applications for aid including eligibility of land and activities and funding for outcome, including where relevant specialist input and rules relating to claims and payments.
- Undertakings to be entered into by beneficiaries in relation to activities and other matters.

Regulations – enforcement -

The 2008 regulations will –

- Require beneficiaries to retain all invoiced accounts and other relevant document in relation to an undertaking.
- Provide such additional information in relation to the undertaking or aid paid in pursuance of that project as Ministers may require.
- Permit authorised persons to verify the accuracy of any information contained in an application or a claim for payment under the Regulations or any other information provided by the applicant relating to the application or undertaking.
- Permit authorised persons to ascertain whether an offence under these Regulations has been or is being committed
- Permit the revocation or variation of approval and withholding or recovery of aid.

- Set out what constitutes an offence and the level of penalty.
- At the annexed Schedules, provide details of eligible activities and eligibility conditions and the rate of payment for each of the 73 options, reflecting the eligibility and rates of payment set out in the SRDP as agreed with the European Commission

Consultation

[The Consultation on the Strategic Framework](#) was launched as part of Scottish Environment Week 2005, and ran until 29 March 2006.

[The Consultation on the Scotland Rural Development Plan](#) itself was launched on 4 April 2006 and closed on 30 June 2006; and nine public meetings were held around Scotland during this period, with over 1,400 copies of the consultation document being distributed. Additionally, the Consultation was available on-line. An [analysis of responses](#) was undertaken by the Scottish Agricultural College (SAC).

A total of 259 written responses were submitted from a range of organisations and individuals. The responses comprised answers to closed questions, as well as extensive textual answers to each of the 21 questions set out in the consultation document.

Financial Effects

The instrument uses funding which the Scottish Government and the European Commission have allocated to the RDCs under the SRDP.

The effect of the Regulations is to permit financial assistance to businesses, community groups, collaborations, and individuals involved in providing community benefits. We foresee no increase in costs to the Scottish Government, local government, or business. We have therefore not carried out a Regulatory Impact Assessment.