1 PURPOSE AND SUMMARY

1.1 The purpose of this report is to provide a response from the Council to the Stage 1 Consultation Paper on the Scotland Rural Development Programme (SRDP) 2014 – 2020.

1.2 The European Union (EU) has been developing its new funding programmes for the seven year period 2014 – 2020. These programmes bring its main European funds together in a much closer and more integrated way. These funds are the European Regional Development Fund (ERDF), the European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

1.3 The Funds in Scotland will be administered through the Scottish Partnership Agreement 2014-2020. To assist the development of the Partnership Agreement, the Scottish Government has issued two consultation papers. These are entitled the ‘European Structural Funds 2014 – 2020 Programmes’ and the ‘Scotland Rural Development Programme (SRDP) 2014–2020’. Both the consultation papers have a closing date at the end of June 2013.

1.4 The proposed response to the Stage 1 SRDP 2014 – 2020 consultation is shown in Appendix 1 and is also proposed to be the basis of the response from the South of Scotland Alliance.

2 RECOMMENDATIONS

2.1 I recommend that Scottish Borders Council:

(a) Approves the response to Scotland Rural Development Programme (SRDP) 2014–2020 as set out in Appendix 1.

(b) Notes that a further report will be presented to the Council on the outcome of the Scottish Government’s consultation, and on the Stage 2 consultation expected in Autumn 2013.
3 BACKGROUND

3.1 The Scottish Borders has benefited significantly from European funding over the last two decades. Many of the economic and rural development projects across the area have been part financed by European funds. The European Union (EU) has been developing its new funding programmes for the seven year period 2014 – 2020. The broad aim it has developed for these programmes is to enable ‘smart, sustainable and inclusive growth’ and to have a significant impact on jobs and growth.

3.2 The new ‘Common Strategic Framework’ for EU programmes brings together the main European funds in a more integrated way. The funds are the European Regional Development Fund (support for businesses and regional development), the European Social Fund (support for skills and unemployment), the European Agricultural Fund for Rural Development (support for agriculture and rural development) and the European Maritime and Fisheries (support for sea fisheries and coastal areas). European support for these Funds comes through programmes which part fund public and voluntary sector schemes and initiatives.

3.3 The European Union has requested each of its 27 Member States to prepare a funding programme for spending European Funds for the period 2014 – 2020 and has set out guidance for each of them. The guidance for the UK Partnership programme is to:

- Build business competitiveness and innovation;
- Tackle the high proportion of the population with low level or no skills; and
- Make the economy environmentally friendly and resource efficient.

3.4 Within the UK Partnership Programme there will be a Scottish Chapter which will be entitled the Scottish Partnership Agreement 2014-2020. To assist the development of the Partnership Agreement, the Scottish Government has issued two consultation papers. These are titled the European Structural Funds 2014 – 2020 Programmes and Scotland Rural Development Programme (SRDP) 2014–2020. Both the consultation papers have a closing date at the end of June 2013.

3.5 The budget that will support the Scottish Partnership Agreement 2014 - 2020 is still being discussed as part of the EU budget negotiations, and it is estimated this could be around £1 billion for Scotland.

4. THE SCOTLAND RURAL DEVELOPMENT PROGRAMME 2014 – 2020 CONSULTATION PAPER

4.1 The Scotland Rural Development Programme (SRDP) is funded through the European Agricultural Fund for Rural Development (EAFRD) and the Scottish Government, providing support for a wide range of economic, environmental and social measures in rural areas. The current programme will end on 31 December 2013 and will have delivered around £1.2 billion of support to rural Scotland since it was launched in 2008. To access European EAFRD funds for the period 2014-2020 the Scottish Government must prepare a new SRDP. The funds can be accessed by rural communities, farmers, other land managers, forestry sector and rural businesses in Scotland.
4.2 The legislation that the SRDP must follow is currently being negotiated in Europe. It is expected that the regulations will be finalised in the summer of 2013, including agreement on the SRDP budget. Initial indications are that the EU budget will be reduced, and it is estimated that Scotland could see a 10%-20% reduction in the SRDP budget.

4.3 The SRDP is additional to the direct support received by farm businesses across Europe, known as ‘Single Farm Payment Scheme’ (SFPS). In 2009, £510 million was paid out under the SFPS to over 19,000 applicants in Scotland. It is expected that Scottish Government will consult on these direct support proposals later this year. Direct support for farm businesses falls under ‘Pillar 1’ of the ‘Common Agricultural Policy’ (CAP), and support for rural development falls under ‘Pillar 2’ of the CAP. In preparation for the consultation on Pillar 1 support later this year, Scottish Borders Council working with South of Scotland Alliance, has commissioned research on the impact of CAP reform on Agriculture in the South of Scotland.

4.4 A key aspect in developing the next SRDP is consideration of lessons learned from the 2007-2013 programme. The consultation document sets out the current thinking following engagement work over the last 18 months via the CAP Stakeholder Group and eight stakeholder working groups who have made recommendations for improvements to the future programme. The Council’s Economic Development team has played a key role in the development of the new SRDP, representing COSLA on the CAP stakeholder group and participating in the ‘Rural Economy’ and ‘LEADER’ working groups.

5. RESPONSE TO THE SCOTLAND RURAL DEVELOPMENT PROGRAMME 2014 – 2020 CONSULTATION PAPER

5.1 The proposed Council response to the Scotland Rural Development Programme (SRDP) 2014 – 2020 Stage 1 Consultation Paper is shown in Appendix 1.

5.2 The main elements of this response are that:

- We support the closer alignment of the EU funds in Scotland and agree that the funds should prioritise support for i) Competiveness, Innovation and Jobs, ii) Low Carbon, Resource Efficiency and Environment, and iii) Local Development and Social Inclusion.

- However, we are concerned to make sure that rural areas of Scotland are able to access ERDF and ESF support.

- We agree that Scottish Government needs to prioritise spending in the 2014-2020 programme.

- The Council considers the following ‘articles’ should be prioritised in the new SRDP, to achieve sustainable economic growth and deliver the most significant ‘transformational change’ in the rural economy:
  - Investment in physical assets (including agricultural productivity).
  - Investment in farm and business development (including business start-up aid for young farmers, farm diversification projects, and investment in rural micro and small businesses).
- Investment in basic services and village renewal in rural areas (including renewables, broadband infrastructure, and tourism investments).
- Investment in cooperation activities (including development of new products, processes and technologies, short supply and new markets)

- The Council also supports investment in knowledge transfer (eg ‘Monitor Farms’ and ‘Planning to Succeed’), advisory services, and environmental and landscape priorities.

- We agree with the principal of geographical targeting of investments to achieve maximum impact, and with the setting of regional budgets.

- We agree with a simplified ‘two tier’ approach for assessment of applications for agricultural, environmental, landscape and forestry investments, but believe there should be consultation with key local partners including Local Authorities, Scottish Enterprise and where appropriate VisitScotland.

- We believe that support for small rural businesses should be provided at local level, either through LEADER or Business Gateway.

- We agree with the introduction of more variable grant intervention rates to achieve best value for money.

- We agree with the need to provide good advisory services.

6 IMPLICATIONS

6.1 Financial
There are no direct financial costs involved in the response to this Scottish Government consultation paper.

6.2 Risk and Mitigations
There are considerable risks in not responding to the consultation paper as the Council’s views would not be included in influencing decisions on key sources of future funding for economic and rural development.

6.3 Equalities
An Equality Impact Assessment is not required as this is a response to a Scottish Government consultation.

6.4 Acting Sustainably
Acting sustainably is a key European Union objective and is embedded within future European programmes.

6.5 Carbon Management
Carbon management is a key European Union objective and has been embedded within future European programmes.
6.6 **Rural Proofing**

The implementation of this European programme will have a significant positive impact on rural communities, and this is reflected in the Council’s response to the consultation paper.

7 **CONSULTATION**

7.1 The Chief Financial Officer, Head of Corporate Governance, Clerk to the Council, Head of Strategic Policy, HR Manager, and Head of Risk and Audit have been consulted and their comments included in the report.

7.2 The ‘A Working Countryside’ theme group of the Community Planning Partnership is being consulted on the draft response, including NFUS, Scottish Land & Estates, Tweed Forum, Borders Forest Trust, Southern Uplands Partnership, Young Farmers, Buccleuch Estates, RSPB, VisitScotland, SNH, Forestry Commission, The Bridge, and Scottish Borders Community Councils’ Network.

Approved by

Chief Executive    Signature ……………………………………

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**Background Papers:** None

**Previous Minute Reference:** None

**Note** – You can get this document on tape, in Braille, large print and various computer formats by contacting the address below. Douglas Scott can also give information on other language translations as well as providing additional copies.

Contact us at: Douglas Scott, Senior Consultant, Chief Executive’s Department, tel 01835 825155 dscott@scotborders.gov.uk
Appendix 1 – Scotland Rural Development Programme 2014-2020

DRAFT Consultation Response from Scottish Borders Council

Question 1: Given the EU’s Common Strategic Framework approach do you agree or disagree that EU funds in Scotland should be marshalled into three funds (paragraph 27)? Please explain your views.

Scottish Borders Council agrees that the EU funds in Scotland should be aligned within the three proposed ‘Scottish Funds’. Each of these funding blocks has a large menu of eligible activities that will deliver European, Scottish, and regional/local objectives. Closer alignment of the EU funds should help to ensure that they are being effectively targeted, and should help avoid gaps and overlaps in support.

We agree the focus of the three funds should prioritise support for:
- Competitiveness, Innovation and jobs
- Low carbon, resource efficiency and environment
- Local development and social inclusion

This targeting will help to achieve the overall EU 2020 objective to creative a ‘smart, sustainable, and inclusive Europe’, and the Scottish Government’s objective to deliver sustainable economic growth. We particularly welcome the focus on Local Development and Social Inclusion.

However, the Council is concerned that in bringing the management of EU funds closer together in Scotland, Scottish Government should ensure that rural areas are able to access ERDF and ESF fund support to deliver local economic development and employment priorities.

The Council also strongly believes that the Scottish Partnership Agreement should address support for:
- Business infrastructure including the provision and re-development of business sites and premises.
- Tourism marketing and tourism facilities including outdoor, heritage, and environmental tourism facilities.
- Town regeneration.

These types of interventions remain vital to improving the competitiveness of the economy of the Scottish Borders, the South of Scotland and other rural areas within Scotland.

Question 2: Do you agree or disagree with the proposed establishment of a single Programme Monitoring Committee to ensure that all EU funds are targeted effectively (paragraph 29)? Please explain your views.

Scottish Borders Council agrees with the proposal to establish a Single Programme Monitoring Committee (PMC) to ensure that the funds are targeted at areas where
intervention will be most effective to achieve the desired outcomes. The main function of the PMC should be to provide strategic direction and ensure coherence between the funds, and to oversee performance. Local Authorities and other stakeholders must be well represented on the PMC, and the single PMC should be complemented by ‘Programme Management Committees’ for each of the Theme Funds. These should meet more frequently and deal with technical issues.

The Council is concerned that the closer alignment of EU funds should not result in centralisation of the decision-making and management of European programmes. Too much centralisation will be a retrograde step for Scotland. Local input and more localised decision making can help deliver more innovative, relevant projects and outcomes.

There is a danger that the new decision making structures will be very remote from individual Councils and the local level. For this reason it is considered that there should be strong regional representation in the governance and delivery of the programmes. Local Authorities should be represented on the proposed programme Monitoring Committee and Programme Management Committees, and the South of Scotland Alliance should be represented on all three theme Strategic Delivery Partnerships.

**Question 3: Given the need to prioritise our spending in the future programme (paragraph 11) which articles do you see as a priority for use within the next programme? Please explain your views.**

Scottish Borders Council agrees that we need to prioritise spending in areas that will deliver the greatest impact for rural Scotland. The Council considers the following articles are a priority in achieving sustainable economic growth:

- Article 18 - investment in physical assets (including agricultural productivity).
- Article 20 - investment in farm and business development (including business start-up aid for young farmers, farm diversification projects, and investment in rural micro and small businesses).
- Article 21 - investment in basic services and village renewal in rural areas (including renewables, broadband infrastructure, and tourism investments).
- Article 36 – investment in cooperation activities (including development of new products, processes and technologies, short supply chains and new markets).

The Council considers that these priorities would deliver the most significant ‘transformational change’ in the rural economy, and the greatest added value for local businesses and rural communities. The Council also supports the use of the Articles that will promote knowledge transfer and advisory services, and that deliver environmental and landscape priorities.
Question 4: Do you agree or disagree that we should geographically target our investment to areas where support will make the greatest contribution to our priorities? Please explain your views.

Scottish Borders Council agrees that there should be geographical targeting of investments to achieve maximum impact for rural Scotland.

The lessons learned from the current programme are clear, including issues around unnecessary administrative complexity, poor technical support, audit and compliance issues, and inconsistencies in reporting the impacts and outcomes from investments.

We agree that there should be better clarity of purpose in the new programme, and that it should be much simpler and more customer friendly. Geographical targeting should help to simplify the programme, as long as this targeting is clear and logical. Geographical targeting should link investments to national and local priorities (e.g. Scottish Government and local economic development strategies), and investment priorities should be developed with good consultation with local industry and other local stakeholders.

Question 5: Do you agree or disagree that support for small local businesses should be provided through LEADER? Please explain your views.

Scottish Borders Council agrees that support for small businesses is best provided at a local level. This could be delivered via LEADER, which has a good track record of providing support for business development in some areas, or via Business Gateway (managed by Local Authorities).

The current SRDP has a low uptake of non-farm businesses applicants and delivery of this support via LEADER or Business Gateway would provide stronger local advice and proactive/targeted support to increase uptake. Due to the high number of micro-enterprises in rural areas, the majority of small business support is delivered at the local level by Business Gateway and Local Authorities.

Question 6: Do you agree or disagree with the proposal to disband RPACs and replace with more streamlined assessment process as explained in Section 8? Please explain your views.

The regional decision making principle behind the creation of RPACs was good, but the implementation was not successful as it could have been. Scottish Borders Council agrees to disbanding RPACs in their current form. However, the replacement ‘streamlined’ assessment process should still involve consultation with key local partners including Local Authorities, Scottish Enterprise and where appropriate VisitScotland. Decision-making should also be done by SEARS agencies working together, not in isolation. Significant added value is achieved when decision making takes local economic, environmental and community perspectives into account.
The replacement ‘Rural Priorities’ scheme must involve thoughtful targeting of investment priorities at regional or local level, which should be developed in consultation with local partners and stakeholders.

We support the streamlined approach being applied to agricultural, environmental, landscape and forestry investments, but not to wider rural economy investments (LEADER, Food Processing and Marketing, etc.) where significant added value can be achieved by integrated local decision making.

Question 7: Do you agree or disagree that LMOs should be removed from the future programme, given the spending restrictions we are likely to face and the need to ensure maximum value from our spending? Please explain your views.

Scottish Borders Council agrees that Land Managers Options (LMOs) should be removed from the future programme as the Mid-term review of the SRDP has highlighted that the LMO scheme had ‘not delivered strongly evidenced transformational change’. The reduced budget for SRDP 2014-2020 means that funds must be targeted at activity that delivers clear added value for businesses and rural communities.

Question 8: Do you agree or disagree that the Forestry Challenge Funds be discontinued with WIAT being funded through Rural Priorities and F4P funding being provided by LEADER? Please explain your views.

Scottish Borders Council agrees that the Forestry Challenge Funds should be discontinued and delivered by Rural Priorities and / or LEADER if this aids simplification, or if this helps with targeting or adding value to investments. Forests for People support could be delivered via LEADER (along with support for rural micro-businesses, tourism, and cooperation activities), where this fits with LEADER Local Development Strategies.

It is worth noting that the function of LEADER is to promote ‘Links between actions for the development of the rural economy’, promoting innovation and joined up action for rural development. So technically LEADER can deliver any measure of the SRDP (as well as ERDF, ESF and EMFF) where this is appropriate at a local level.

Question 9: Do you agree or disagree that Food and Drink grants be decided via the wider decision-making process for business development applications or should they remain separate and managed within Scottish Government as in the current practice? Please explain your views.

We disagree. Food and Drink is a key growth sector for the Scottish economy. The Food Processing, Marketing and Cooperation Grant Scheme (FPMCS) is regarded as a good scheme by stakeholders and beneficiaries so any move to a wider decision-making process via the competitiveness fund should be carefully considered to ensure this provides a clear improvement and increased added value. There is a risk that moving the fund from the Scottish Government’s Food and Drink Unit will
Questions 10/11/12: Crofting

No comment.

Question 13: Do you agree or disagree with the proposed replacement of the Skills Development Scheme with an Innovation Challenge Fund? Please explain your views.

The Mid-term evaluation of the SRDP suggested uptake of the current Skills Development Scheme (SDS) was poor. For this reason we support the development of a fresh approach to skills development, sharing of best practice and innovative ways of working. The SDS scheme has been successful in supporting group ‘knowledge transfer’ activities (for example through Planning to Succeed and Monitor Farms) which we agree should be retained.

Skills development is different from innovation – each sector (ie tourism, agriculture, forestry) should be supported to identify its own training priorities focused on labour market needs and growth plans. To achieve this we suggest a close link should be developed with Skills Development Scotland.

The promotion of innovation and sharing of best practice requires national and local facilitation, networking and the development of ‘clusters’. Although a new ‘Innovation Challenge Fund’ could fund this activity, further thought is needed to clarify how this would fit with the development of Advisory Services, the Scottish National Rural Network, and the support for innovation and cooperation delivered via the LEADER programme.

Question 14: Do you agree or disagree with the measures proposed by the New Entrants Panel (paragraph 92) to encourage new entrants to farming? Please explain your views.

Scottish Borders Council agrees with the measures proposed by the New Entrants Panel to remove barriers and incentivise new entrants to farming. We agree that support should be targeted at young farmers under the age of 40, but also at measures to help other new entrants into the industry. We also support parallel measures to ensure that ‘Pillar 1’ SFP support is available to new entrants from 2014-2020.

Question 15: Do you agree or disagree with the proposed case officer approach to the assessment of applications? Please explain your views.

We agree with the proposed case officer assessment of applications for agriculture, environmental, landscape and forestry investments. In setting priorities for these investments at local / regional level, consultation is needed with Local Authorities,
Scottish Enterprise and other Community Planning partners and stakeholders to ensure investments fit with local economic strategies, woodland strategies, biodiversity action plans, and land use strategies etc. Priority should be given to investments that deliver added value through collaborative actions eg. river catchment management. Investments should be backed up by business or land management plans, with help from advisory services.

Clear guidance is needed for applicants to submit applications. Previous experience (eg. Farm Business Development Scheme, LEADER, local grant and loan schemes) suggests that advice and guidance is best delivered separately from grant decision making. Further consideration should be given to separation of application advice and the decision making roles of case officers.

Question 16: Do you agree or disagree with the proposed single entry route for applications with a two level assessment process? Please explain your views.

We agree with the proposed single entry route for applications with a two tier assessment process depending on the scale of the investment. Thresholds should be set at the start and this should be made clear to applicants. Projects assessed at national level should deliver a national impact, in terms of jobs and growth, and any additional requirements for assessment of applications at national level should also be made clear to applicants.

Further thought needs to be given to how the national budget will be ‘ringfenced’ to fund Level 2 applications, and how Level 1 budgets will be allocated at regional / local level. Regional budgets will be necessary to aid ‘targeting’.

Thought also needs to be given to avoid any unintended consequences of a two tier decision making process eg. consistency of decisions against clear criteria across both application levels.

Question 17: Do you agree or disagree with the proposed negotiation of variable intervention rates rather than setting fixed intervention rates? Please explain your views.

Scottish Borders Council agrees with variable intervention rates (up to a fixed maximum) to ensure the additionality of SRDP investments. This principle operates well for LEADER, and for other EU Programmes. SRDP investments should be the minimum grant required for a project to proceed. In audit terms, it is hard to imagine how variable rates could be applied if only one case officer is assessing and determining applications.

Decisions on the appropriate intervention rate requested should be made by applicants in the first instance taking account of other sources of private and public funding available to them and the maximum threshold available. Case officers should indicate whether the level of support requested is likely to be approved, taking into account value for money and additionality guidance.
Question 18: Do you agree or disagree with the proposed setting of regional budgets across Rural Development Regulation (RDR) articles? Please explain your views.

Scottish Borders Council agrees with the setting of regional budgets to encourage proper prioritisation of resources at regional level. This will also give applicants a clearer steer on the availability of budget and the likelihood of success. Regional budgets will encourage targeting which should deliver clearer outcomes.

Question 19: What support or assistance do you think applicants will need for this application process to work effectively? Please explain your views.

Applicants need access to good quality advice to develop business, land management and forestry investment proposals that fit regional priorities. This should be provided via a combination of the national Advisory Service, private sector agents and other public agencies including Business Gateway, Local Authorities and Scottish Enterprise. The application process should be simplified so that applicants can submit an application (with support from a case officer) without incurring any additional costs. For collaborative applications support is needed to facilitate the development of joint bids either individually or via third parties.

Question 20: Do you agree or disagree with the value of developing a prescriptive map of holdings to help farmers and stakeholders understand the potential ecosystem value of specific holdings? Please explain your views.

We support the provision of more map-based information to help guide all land based applicants to target their investments eg. watercourses affected by diffuse pollution, priority habitat networks, core path plans. Existing datasets should be used (Scottish Borders has this data on a public access GIS system), pulling together data held at regional level by Local Authorities and other SEARS public agencies and NGOs. This information should be linked to regional priorities and accessible to all (web-based), and if possible should be available at the start of the new Programme.

Question 21: Do you agree or disagree with the proposal to allow applicants to submit single applications which set out all investments/projects that the applicant would like to take forward on their land? Please explain your views.

We would support the submission of single applications for multiple investments where investments are integrated and add value to each other. Equally we support the submission of applications for single investment ideas where the impact on the business or other outcomes is significant in its own right, or where they are linked to a wider cooperation project. Flexibility should be built into the application process to allow small and large scale investments and single or multiple applications.
Question 22: Do you agree or disagree that it would be helpful to allow third party applications for specific landscape scale projects? Please explain your views.

We think it could be helpful to allow third party organisations to apply for funding on behalf of a collaborative group of applicants. In the current programme the Scottish Borders LEADER programme has funded the facilitation of collaborative landscape scale activity via third party organisations including Tweed Forum, Southern Uplands Partnership and Borders Forest Trust, but the resulting ‘on the ground’ investments by farmers and landowners were funded via individual SRDP applications. This created additional work for applicants and risked some applications getting approved while others were not within the collaboration, but ensured ‘ownership’ of the investments by land managers to guarantee the sustainability of the investments. So there are pros and cons to this approach and although good in principle, this needs to be carefully thought through and discussed with land managers.

Question 23: Do you agree or disagree with public agencies working together to identify priority areas that could benefit from a coordinated third party application? Please explain your views.

Agree, but priority areas should be identified by a wider group than just public agencies. Both collaborative and individual investments should be targeted at regional priorities which are agreed by public agencies in consultation with industry, land managers, NGOs and other stakeholders at local/ regional level.

Question 24: Do you agree with the establishment of a separate fund to support collective action at the landscape scale? Please explain your views.

Scottish Borders Council agrees funding should be available to support collective action at the landscape scale. However, we are concerned with the proposal to centralise the fund for collaboration. For instance, LEADER in the Scottish Borders has been very effective in facilitating landscape scale collaborative actions, aided by the LAG partnership and this could be lost if the collaboration fund is managed centrally. Collective actions should score higher in assessment criteria in delivering value for money and additionality.

Question 25: Do you agree or disagree with broadening the Whole Farm Review Scheme to include biodiversity, environment, forestry, water pollution control and waste management? Please explain your views.

Scottish Borders Council agrees with broadening of the Whole Farm Review Scheme to include biodiversity, environment, forestry, water pollution control and waste management. We would encourage farm businesses to think about wider economic, environment and community linkages, impacts and benefits. In the same way forestry schemes should also encourage this wider view.
Scottish Borders Council agrees with the conclusion of the Advisory Services Working Group that advice provision is currently too fragmented. It is not clear from the consultation document if the broadening of advice provided under the Whole Farm Review Scheme under the SRDP will meet the advisory needs of farm and other rural businesses and land managers, and how this fits with the Veterinary and Advisory Service and the existing advice provided by Business Gateway and the Enterprise networks, and other public and private bodies. If the draft regulations require Scottish Government to offer tailored advisory services to individual farmers on a wide range of issues we agree this should be tendered to address current gaps in provision, avoiding duplication with support available from other public agencies and the private sector.

Question 26: Do you agree or disagree that we allocate SRDP budget to advice provision when we move to the next programme? Please explain your views.

We agree. Access to good quality business advice is critical to increasing farm business competitiveness. A priority area for new advisory services should be support for the transition to low carbon farming and low carbon land management.

Question 27: What are your views on the merits of providing loans for specific purposes and/or specific sectors? Please explain your views.

We agree that the provision of loans for community groups and small businesses should be explored further to establish if there is demand.

Question 28: Do you agree or disagree with the proposal to maintain the current level of transfer from Direct Payments to SRDP in the new programme period? Please explain your views.

Scottish Borders Council agrees in principle with the maintenance of the current level (14%) of transfer of funds, in view of an expected SRDP budget cut of 10%-20%.

Question 29: Please tell us about any potential impacts, either positive of negative; you feel the proposals in this consultation document may have on any of the equalities characteristics listed in paragraph 136.

Scottish Borders Council supports the intention to consider how, through the implementation of the SRDP, we can promote actions to reduce inequalities in rural Scotland. In doing this, the consultation process must include direct consultation with a wide range of communities and equalities groups to understand their views.

Ends.