

## **Suckler Beef Climate Group Programme Board (SBCGPB) Policy Objectives Discussion Paper**

### ***Secretariat note added subsequent to the discussion:***

*This paper is a discussion paper intended to capture the views of the Suckler Beef Climate Group Programme Board about the future of the suckler beef industry and wider agriculture support. It is not a statement of government policy or commitment to the deployment of public resources.*

Board Paper – Suckler Beef Climate Scheme – Policy Objectives.

**Purpose** – The Suckler Beef Climate Group Programme Board (SBCGPB) is asked to:

- a) confirm its agreement to measures necessary to implement the Suckler Beef Climate Scheme as part of a series of integrated measures necessary to reduce greenhouse gas emissions from agriculture and to restore and enhance biodiversity on farms and crofts, as part of the replacement of the Common Agriculture Policy;
- b) note and comment on the changing context of broader changes to agriculture support in Scotland in broad terms over the period to 2026;
- c) make judgements on the above noting the overall reductions in greenhouse gas emissions that must be achieved in the period to 2032 (published in the Scottish Government’s Climate Change Plan Update) and the possible implications for farming and livestock production.

The Board is asked to discuss and address the issues raised in this paper, specifically the issues put in paragraphs A to D.

**Background** - The SBCGPB agreed that co-chair Jim Walker and SG officials should engage in conversations to better understand the overall policy objectives and the financial mechanics that could underpin a Suckler Beef Climate Scheme within the context of a wider reform of agriculture support.

Following these discussions, this paper proposes how a scheme should be constructed, how it might fit with the reform of agriculture more generally, and captures considerations that arise as a result. The board is asked to confirm this paper reflects its understanding of how policy should be taken forward and the considerations that arise as a result.

Following sign off from the SBCGPB Co-chairs this document will be shared with the chairs of other Farmer-led Groups for their reflection and comment.

**Exclusion** - The paper does not consider the services and data capture/integration/sharing processes that will need to be developed to support and operate the scheme as an entity and within the overall context of rural land use services. Nor does it consider the mechanics of dual operations and processes (for farmers and for funding/regulating bodies) during the

transition period. This detail can be developed to provide an end-to-end service design once the overall framework is agreed by all the Farmer-Led Groups. Consideration is given to these matters in annex A.

### **Policy context: replacement of the Common Agricultural Policy**

1. The Suckler Beef Climate Scheme will sit within a wider context of farmer-led group (FLG) proposals that will begin to merge with each other from 2021/22 into a single coherent policy approach from 2024/26.
2. There will be a period of transition during which time the outputs from the FLG will be implemented progressively and inform the development of a new policy and regulatory framework that will support sustainable agriculture and make effective use of the future agriculture support budgets – delivering on efficient food production, GHG reductions and biodiversity improvements.
3. In the period to 2024/26 Scotland should develop an approach to the reform of agricultural support that requires farms and crofts (business reference numbers (BRN)) to enrol in formal programmes of environmental outcome delivery or continued high performance (via a common gateway). Passage through the gateway creates access to specific public funds in return for the provision of (additional) environmental benefits.
4. The environmental policy objectives of greenhouse gas emissions reduction and restoration and protection of biodiversity sit in a wider policy context including:
  - Ongoing support for food production, recognising primary production's importance to the up and down stream supply chains
  - Maintaining support for fragile rural communities
  - Avoiding offshoring emission and other environmental harms
5. It is important to note that, whilst agriculture emissions sit within one part of the international GHG inventory, farms and crofts can (and do) contribute to positive climate action attributed to other parts of the inventory, particularly renewable energy (energy envelope) and carbon sequestration/storage (LULUCF envelope). It is also important to recognise that the inventory itself is developing over time and can be improved as regards relevance and accuracy for Scottish farms and crofts.
6. On this basis, in the period to 2024/2026, the SG should:
  - I. Keep making basic payments to all farmers and crofters.
  - II. Use available resources to support the initial investment needed to establish performance baselines and accelerate the environmental improvements identified by farmer-led groups work in the first instance.

- III. Shift an increasing proportion of VCS and Greening budgets to FLG scheme participants (and away from non-participants), increasing the premium afforded to environmental goals.
  - IV. Provide capital support only to those participating in an FLG scheme and on the basis that individual BRNs should submit a business case to justify the capital expenditure based on anticipated environmental outcomes which can be verified once the assets are in place.
  - V. Review and repurpose LFASS through the work of the HUCG towards some form of high nature value (HNV) support scheme, whilst maintaining a mechanism for delivering continued disadvantage payments to Scotland's most constrained agriculture businesses.
  - VI. Develop schemes for managing other forms of agriculture to bring about substantial GHG reductions.
  - VII. Continue to develop land management practices, that are currently embedded in the agri-environment climate schemes (AECS), on the basis that these will support the development of the most advanced and complex interventions in support of biodiversity on farms and crofts.
7. On this basis, farms and crofts will continue to receive a basic area payment (in direct support of food production) and will decide whether to enrol in the various schemes that will be developed.
8. In the period ending 2024/2026, over half the likely available public funds for agriculture will move progressively from a largely "unconditioned" basis to one in which the majority of funds are made conditional on outcomes/actions to maintain or improve environmental performance.

*A) The Board is asked to say whether it agrees with this approach to CAP replacement and the proposed shift of funds and to offer reflections on any points of difference.*

### **Greenhouse Gas Reductions: extent, distribution and targets for policy and schemes**

#### *Emissions from agriculture and beef cattle*

9. By 2032 greenhouse gas emissions from all of agriculture is required to fall **by 2.4MtCO<sub>2</sub>e** to meet the targets set in the Scottish Government's Climate Change Plan Update. To put this in context, agricultural GHG emissions have declined by around 1.4MtCO<sub>2</sub>e since 1990. The widespread adoption of new technical measures across all of agriculture will reduce emissions, but in each sector a significant proportion of the savings must be achieved in other ways – in the main through changes in the fundamental nature of farming and other land management activity.

10. These savings can be achieved via a combination of new technologies, efficiency improvements, resource optimisation, and through the adoption of best practice alongside better and more integrated wider land use and land management decisions.

- The future path of potential emission savings from technology and efficiency measures are uncertain. SRUC/ClimateXchange (CXC) <sup>1</sup> estimate 1MtCO<sub>2</sub>e of savings could be achieved. The scale of savings is of course dependent on uptake and, in reality, emission savings can be achieved which could be higher or lower than SRUC/CXC estimations. Unforeseen technological developments may lead to further reductions in emissions beyond these estimates.
- Over recent years livestock numbers in Scotland have declined. For example, the number of cattle associated with the beef industry has declined by around 10% between 2010 and 2020. If historical trends in livestock numbers across all sectors of agriculture continue at their current rate, noting that the rates of change currently observed are not an objective of public policy, this could collectively reduce emissions by approximately **0.7MtCO<sub>2</sub>e** by 2032.
- This means that collectively, technological and efficiency measures, based on current sector output and existing market trends, would yield emission savings of up to **1.7MtCO<sub>2</sub>e** across all of agriculture resulting in a shortfall of at least **0.7MtCO<sub>2</sub>e** in 2032 relative to the CCPu target of **2.4MtCO<sub>2</sub>e**. Meeting this shortfall would require the deployment of as yet unknown technological measures over the next decade, or other/additional actions to improve agricultures contribution to emissions reduction.

11. There are both upside and downside risks to the above projections. Market driven declines in livestock numbers could either accelerate or slow in future years, and is not a parameter directly controlled by the Scottish Government. Likewise, the emission savings which can be yielded from the uptake of new technologies may be higher or lower than currently assumed.

#### *Emissions from the suckler beef herd: control scheme*

12. Of the 2.4 MtCO<sub>2</sub>e saving required across agriculture as a whole to meet the targets in the Climate Change Plan Update, the *proportionate* share of necessary reductions in greenhouse gas emissions from the suckler beef herd is 0.8MtCO<sub>2</sub>e<sup>2</sup>. The report from the Suckler Beef Climate Group sets out that the sector has the potential to cut greenhouse gas emissions registered in the National Inventory by up to 1.02MtCO<sub>2</sub>e based on all measures being applied to all suckler beef livestock considered by SRUC (Thomson and Moxey)<sup>3</sup>. This represents the theoretical upper bound based on the

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<sup>1</sup> Based on applying estimates for mitigation measures in CXC (2020) applied to current activity levels, [Marginal abatement cost curve for Scottish agriculture \(climateexchange.org.uk\)](https://www.climateexchange.org.uk)

<sup>2</sup> This estimate does not include emissions from sources common to all agricultural sectors such as farm machinery, urea application and inorganic nitrogen fertilizers. Distributing these amongst agricultural sectors increases the necessary reductions in emissions from the Suckler beef herd to 0.99MtCO<sub>2</sub>e.

<sup>3</sup> [Estimated Suckler Beef Climate Scheme effects within the National GHG 'Smart' Inventory \(www.gov.scot\)](https://www.gov.scot)

mitigation measures considered in this paper assuming full uptake and complete effectiveness of the measures considered.

13. The theoretical upper bound is unlikely to be achieved in practice. SRUC (Thomson & Moxey) have advised on the abatement potential that might be expected through the future suckler beef scheme based on their assessment of realistic levels of performance achievements. These prospective savings are set out below, taking account of the possible scope and membership of a future suckler beef scheme.

#### *Scope*

14. The current proposals are that the scheme should be based on voluntary open enrolment of eligible businesses (BRNs) with beef animals at the initiation of the scheme. This should include store producers, and breeder finishers who should be paid according to the number of productive breeding cows enrolled in the scheme. Specialist finishers without breeding suckler cows should not be eligible for a payment in this way, although they should be eligible for capital grant support and will benefit from any branding associated with the scheme at a later point.

#### *Scale*

15. The initial voluntary nature of the SBCS proposals means that there is uncertainty to the likely take up of any such scheme in the early phase. Recent experience of the Beef Efficiency Scheme suggests an initial uptake of c. 160,000 animals could be achieved. If all larger businesses were to enrol (e.g. those with herds >50 breeding cows) then c. 300,000 breeding cows would be enrolled. It is therefore reasonable to plan for the initial scale of enrolment being in the range of 160,000 to 300,000 breeding cows in the early years of the scheme. It is anticipated that the uptake will build over time as all farmers and crofters enrol in this, or other farmer led group schemes, in order to maintain access to the full range of public agriculture support funding.

#### *Emissions Savings*

16. On the basis that the key objective of the Suckler Beef Climate Scheme is *to reduce GHG emissions from the suckler beef herd in line with the CCPu target to the extent that this is technically possible*, it follows that a number of factors are relevant to the adoption of any scheme targets.
  - SRUC (Thomson & Moxey) has advised that the proposed measures cannot be applied with absolute practical effect (irrespective of the number of enrolments into the scheme).
  - SRUC (Thomson & Moxey) have advised that a realistic outcome would be for the scheme to achieve reductions in greenhouse gas emissions of up to 0.52MtCO<sub>2</sub>e<sup>4</sup>. This is

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<sup>4</sup> Estimated Suckler Beef Climate Scheme effects within the National GHG 'Smart' Inventory, Moxey and Thomson 2020

broadly in line with assumptions made by the Climate Change Committee, previous SRUC studies on mitigation, and the EU evaluations.

- SRUC (Thomson & Moxey) have also suggested that were the scheme to achieve a very high degree of take up, the emissions savings could potentially exceed 0.52MtCO<sub>2</sub>e. However, there would be considerable uncertainty over the magnitude of this figure.
- The measures contained in these proposals will help deliver the technically feasible emissions reductions from the sector with the estimates reflecting the limits on the GHG savings that can be made from the proposed technical and efficiency measures as proposed.

### *Considerations*

17. Whilst initial participation numbers are unknown at this stage, if the range of animals and potential type of enterprises mentioned above in paragraph 15 is a sound estimate then it is likely that the majority of suckler beef farmers and crofters (not animals) may sit outside the Suckler Beef Climate Scheme. During the transition period these farmers and crofters will be presented with the option to join emissions reduction schemes that are being developed by other farmer-led groups, or they may decide not to enrol in any scheme at all thereby losing access to some aspects of public support over the transition period.
18. The practical scale of emissions reductions associated with the Suckler Beef Climate Scheme may fall below the extent of the proportionate share in agricultural emissions reductions that have been attributed to suckler beef. This will create a requirement for an additional reduction in greenhouse gas emissions that may require the application of additional measures in order to achieve the emissions reduction envelope.
19. The emissions reductions set out in paragraph 16 are predicated on maintaining current levels of sector output whilst ensuring technical and efficiency saving are maximised, in particular that unproductive animals are removed from the herd in line with the scheme supporting document proposals. In this regard it is important that verification, control and award systems (yet to be established in detail) can manage the scheme to achieve this overall goal.

*B) On the basis of the points set out above the Board is asked to agree that:*

- i) The objective of a Suckler Beef Climate Scheme should be to reduce GHG emissions from the suckler beef herd in line with the CCPu target to the extent that this is technically possible, as well as delivering on efficient food production and biodiversity improvements.
- ii) On the basis of the current assumptions about the scope, scale and practical application of measures the emissions savings associated with any suckler beef scheme are likely to be in the region of 0.52MtCO<sub>2</sub>e by 2032 (in accordance with SRUC (Thomson & Moxey) estimates).

iii) Additional measures may be necessary to achieve emissions reductions proportionate to the share of current agricultural emissions associated with suckler beef production (unless they are achieved elsewhere in agriculture).

iv) Scheme enrolment should be voluntary in the period to 2024/26 via a common gateway in the manner consistent with the wider reform of agriculture support.

### **Conditionality**

20. Participants of the Suckler Beef Climate Scheme will be required to formally engage in a programme of attainment in which payment would be made conditional upon a mixture of: firstly establishing a baseline, and then undertaking certain identified practices and actions to deliver agreed outcomes, including meeting certain absolute standards where appropriate (standards that may evolve over time in accordance with future policy choices and measurement techniques).

21. Proposed conditionality requirements, in addition to existing Statutory Management Requirements (SMRs) and Good Agricultural and Environmental Conditions (GAECs) would be applicable in their entirety to those enrolled in the Suckler Beef Climate Scheme. Some requirements would apply to other sectors. The conditional basis of support as it applies to livestock and other sectors is outlined in the table below.

<b><u>Feature</u></b>	<b><u>Sector</u></b>
<b>Carbon Audit (annual or biennial)</b>	All
<b>Animal Health and Welfare Plan</b>	Livestock
<b>Soil Analysis</b>	All
<b>Forage Analysis</b>	Livestock
<b>Manure Analysis</b>	All
<b>Nutrient Management Plan</b>	All
<b>Biodiversity Enhancements</b>	All
<b>CPD</b>	All

22. The Suckler Beef Climate Report generally describes the actions each participant would have to carry out in relation to achieving the baseline and thereafter each conditionality element with some elements more prescribed than others. The Board has yet to discuss and fully agree exactly what is required under each of these elements.

23. It is proposed that a conditionality workstream is one of a number to be established to determine and agree what will be required from participants under each of these conditionality elements. This would include determining whether any exemptions would apply to certain farm and croft types. An appropriate way to develop the practicability of the conditionality elements might be to identify and support early pilots.

*C) The Board is asked to:*

i) Confirm agreement to the list of conditionality elements that all scheme participants would be expected to undertake.

ii) Agree to the establishment of an overarching conditionality Programme Workstream, with active participation from the other sub sectors of Agriculture, as reflected by the work of the other farmer-led groups, in order to determine and approve what will be required of participants for each of these conditionality elements and their role within other sectors.

### **Verification, Controls and Reward**

24. Whilst various ideas are set out in the Suckler Beef Climate Report, the details of the approach to conditions and rewards are yet to be developed by the Suckler Beef Implementation Board and any other FLG. This includes how the initial funding for achieving a baseline will be targeted and the improvement conditionality that will follow. The separation of sector specific conditions and awards from universal ones also needs to be determined. That, in turn, will determine the nature of the verification, controls and awards applicable to each enrolled business.

25. It is recognised that the actions set out in the conditionality requirements will result in businesses incurring costs, which may increase in line with herd size. Therefore, payments for the necessary environmental actions should be based on the budget available to support the achievement of those environmental goals and be applied based on the number of breeding animals covered by the scheme (at a scheme level and at paid out at a business level). It may be necessary to place controls on the upper and lower payment thresholds to ensure that very large units are not over-compensated and very small units are not undercompensated (front-loading of some form will need to be considered in recognition of the proportionately larger transaction costs that has to be carried by smaller herds). It will be necessary to ensure that the scheme payment mechanism can be clearly justified on environmental grounds and falls clearly within WTO green or blue box, and internal market constraints.

26. The Board is yet to determine and propose what time scales performance should be monitored over, what tolerance level businesses will be judged within or against which standard, or if participants are to be judged against their own baseline initially with the scheme moving to an industry benchmark that will become ever higher as the scheme progresses. The Board has also yet to discuss and propose future inspections and compliance rates and how any breaches in conditionality should be handled. This, in turn, would allow the necessary assurance services and processes to be designed. These issues are discussed further in Annex A.

#### *D) The Board is asked to:*

i) Confirm that it agrees with the propositions on verification, controls and reward as set out above.

ii) The board is asked to recognise the division of assurance and compliance between a number of organisations and farmers are yet to be determined and to agree that a programme workstream, with active participation from the other sub sectors of Agriculture



as reflected by the work of the other farmer-led groups be established to develop and propose agreed outcomes regarding verification, controls and rewards.  
iii) Agree to the proposals set out in annex A.

## **Conclusion**

In addition to the matters raised in this paper, the Board is asked to note:

- the complimentary ongoing work of the other farmer led groups;
- the benefits of active participation is necessary in ongoing and future proposed programme workstreams;
- the chairs of the farmer led groups should now work together to establish how each group's measures should be integrated into a coherent approach for Scottish Agriculture and in doing so should determine what approach should be taken to farm businesses that opt of the improvement schemes;
- further actions may be required to bridge any shortfall in emissions reductions and this should be kept under review across the whole of agriculture as the climate scheme develops;
- that technical work on the GHG inventory and its interaction with on farm work is necessary to improve the link between on farm action and what is reflected in the national emission figures.

Suckler Beef Climate Group Programme Board (SBCGPB) Secretariat  
March 2021

## **Annex A: Suckler Beef Specific Service Design**

### ***Secretariat note added subsequent to the discussion:***

*This annex is intended to inform how the measures proposed above might be implemented were they to be adopted. It is not a statement of government policy or commitment to the deployment of public resources.*

As the Suckler Beef Group is the most advanced of the Farmer-Led Groups there is benefit in maintaining the momentum and continuing to work in partnership with the Group to co-produce the aspects of the delivery model that will support at least the first two phases of the Suckler Beef element of the scheme as proposed by the Group. This can act as a basic and incrementally developed pilot for what can become part of a complete and integrated scheme for Scottish agriculture.

However, this must be very carefully managed by the SG and Farmer-Led Groups to ensure that the desire for pace for Suckler Beef action does not inhibit the design of an integrated and complete scheme covering all relevant aspects of agriculture. For such an incremental development ongoing reviews will be organised in compliance with Digital Scotland Service Standards assurance reviews and checkpoints. This is an SG mandatory review process for service development and change to ensure design meets user needs and policy objectives, and remains within quality, time, spend parameters.

For this Suckler Beef specific work and for the development of the aforementioned integrated and complete scheme, managing the various dimensions of risk within the programme will be paramount. As recognised by all the Farmer-Led Groups, this programme will be transformative for agriculture businesses (farms and associated service providers), the way funding is provided and the manner in which services are delivered – all within the context of rural land use and the benefits that can be delivered for food production, environment management and increased biodiversity. To ensure effective delivery throughout the programme it is proposed that a shared (Farmer-Led Groups and SG) risk register is one of the first programme products to be co-created and jointly owned. It will reflect the mitigating actions and controls that need to be in place from all perspectives. Many controls that must be applied already exist within the SG's overall assurance framework - Legal, Policy (eg Impact Assessments), VFM, Service Design, Information Security, etc – but other controls will need to be identified from an agriculture industry perspective.

The three outline phases for short to medium term operational and IT development are below. Phase 1 and Phase 2 for Suckler Beef can be achieved moderately easily through some rapid new IT development and repurposing a basic legacy IT one-off payment mechanism. The controls for checking that the baseline has been delivered for the payments made would still need to be developed. However, Phase 3 will be significantly more complex, even if only for Suckler Beef.

Phase 1 - Enrolment (currently being developed) and Entry Criteria Verification.

Phase 2 – Grant Payment for Baseline Establishment.

[These two phases together constitute the “2021/22 New Schemes Open with Common Entry Requirements” depicted in the Suckler Beef Climate Group’s proposed timescale at Figure 1.]

### Phase 3 – Conditionality and Dividend/Performance Payment.

[This phase is equivalent to the “2022/25 Embedding Principles for New Schemes” depicted in the Suckler Beef Climate Group’s proposed timescale at Figure 1.]

If the desire is to progress to at least Phase 2 for Suckler Beef by the Group’s proposed timescale at Figure 1 then this design will necessarily be a fast-track approach. However, a prerequisite of commencing the work is that it must function as a delivery “alpha” pilot, and inform the more complex and integrated design of a scheme and delivery model (business processes and IT) to support the requirements that will emerge from the reports of the other Farmer-Led Groups. Progressing with such an “alpha” has scheme and service design risk, but it should inform the development of the requisite Outline Business Case as required by the Scottish Public Finance Manual for a large transformation programme such as this.

It is proposed an initial six-month co-design and development period is initiated, starting from the launch of Enrolment (already advanced), using the mandated Scottish Approach to Service Design and Digital Scotland Service standards (see Figure 2) to draw out the details needed to deliver a minimum functional Suckler Beef operation for each of the three phases.

This would align with the objective of Suckler Beef Climate Group to have Phase 2 (ie Payments to Achieve Baseline) starting mid to late 2021, and preparations in place for Phase 3 commencing at the start financial year 2022-23 as shown below.

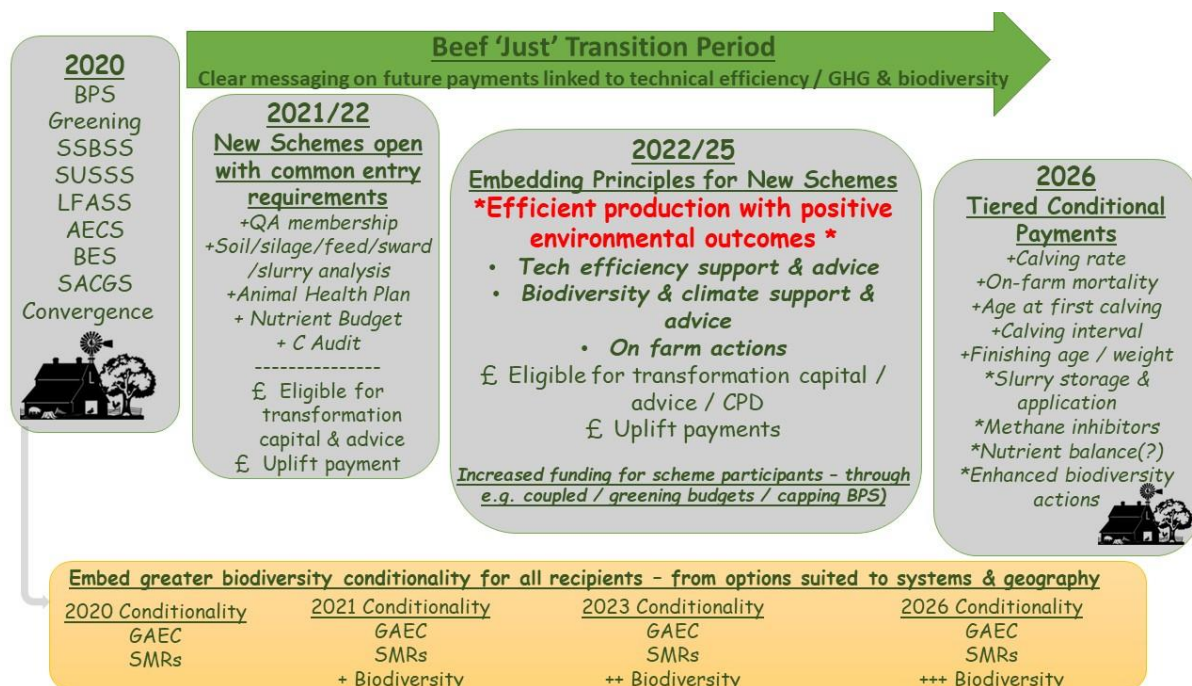


Figure 1

A proposed outline approach, where the Group would work in partnership with the SG, would be:-

- As Phase 1 is relatively well defined, and much less complex than the following two phases, it is proposed that the second iteration (6-8 weeks) starts once Enrolment is “live”. This will design, develop and deliver the second aspect of this Phase ie Basic Entry Criteria Verification (basic checking that the business is entitled to a payment to be used to establish the baseline).
- Also starting once Enrolment is “live”, an overall architecture for the Suckler Beef element of the scheme should be developed in parallel with the specific Phase 1 work above. This is needed to provide the overall architecture for the detailed Suckler Beef design, but would also be used as a starter for the design of the full scheme delivery model.
- The next iteration is a step-up in terms of complexity and resources. The design would take between two to four months (working in parallel with FLG Discovery phase) and would focus on Phase 2 and identify the elements of baseline establishment requirements that are likely to be common to all sectors and those that are unique to Suckler Beef. It would draw out requirements, roles and standards, from all stakeholders’ perspectives, for applying the measures (including the provision of advice and services {eg carbon audit}); making and receiving a payment; and verifying compliance. It would put in place a minimum functional operation (business processes and IT) to support the payments that would initially be made to Suckler Beef farmers to establish their baseline while work progresses for the other sectors. However, the time to establish this iteration and the pace that it moves at is dependent on the availability of resources to design and develop the solution. With our existing systems it is possible to make one-off payments as would be used for baseline establishment by farmers. But for future sustainability this capability will need to be redeveloped and integrated as it is currently part of our legacy systems where there is a priority to modernise.

**At the very latest**, nearing the end of Phase 2 a strategic and critical decision would need to be taken whether a minimum functional operation should be put in place purely for Suckler Beef to progress to Phase 3 or whether the focus should be on encompassing the requirements of the other sectors (second section below) and develop a complete and sustainable service that meets the stated requirements for data sharing by multiple interested parties. Similarly, at this stage the design must be set in the context of a holistic scheme and service, and associated Outline Business Case, that supports strategic rural land use, which encompasses multiple private and public body organisations.

- Depending on the decision above, the next iteration of design relating to Phase 3 - a significant further step-up in terms of complexity and resources - would take between three to six months and would focus on the initial practical elements of demonstrating delivery of improvements that lead to the desired outcomes for

Suckler Beef. As per the previous iteration it would draw out what would be a much broader and complex set of requirements that were robust enough to progress to Phase 3 implementation. Again pace would be dependent on availability of resources.

Each of the iterations described above will not be strictly serial in nature and the development work will be incremental. Also, as each Phase is designed in outline, it would need to be verified against the developing policy framework, assessed as part of Digital Scotland Service Standards protocols and considered with respect to the other sectors. These verifications would act as additional, but critical, checkpoints to approve the next stage of scheme design and development.

### Integrated Scheme Service Design - all Farmer Led Groups

As the Suckler Beef focused project progresses, and the broader policy framework is being developed with the other Farmer-Led Groups, in parallel, we need to start to develop a broader service delivery model. There needs to be effective correlation between the strands of policy development, user engagement, scheme design and overall service design. This parallel approach allows us to test whether the policy being developed can be delivered efficiently and effectively, and allow us to propose a realistic timeframe for implementation. It needs to also set it within the context of an overall rural land use service.

In accordance with the mandated Scottish Approach to Service Design there needs to be a continuous feedback loop between:-

Evidence Gathering - Policy Development – Scheme Design – Service Design.

However, these are not independent things and mixed delivery workstreams will be required to deliver all four aspects as a coherent solution.

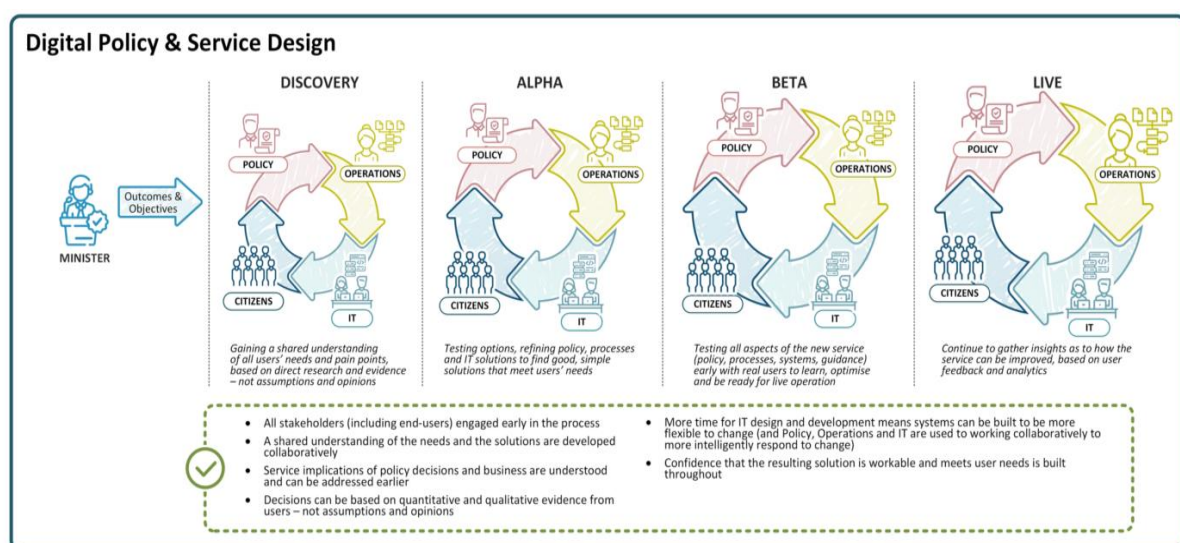


Figure 2

It is proposed that a four month initial Discovery partnership arrangement will be established with all the FLGs. The objective being to create an outline integrated service delivery model for agriculture within the overall context of rural land use. This is a major transformation programme and will need to be appropriately resourced at this initial Discovery stage and then throughout the Programme.

We will need work in partnership with the all five groups to complete the key work set out below.

- Identify the common elements of baseline requirements and any unique elements within each sector.
- Identify the common conditionality measures for all a participants and those that are sector specific.
- Identify the common standards and processes that can be applied to across all participants and those that are sector specific.
- Identify a common and proportionate assurance and compliance framework that will apply across all participants and those that are sector specific.
- Widen the engagement by testing the framework, assumptions, objectives and outline service designs with broader sets of potential participants and other stakeholders involved in rural land use (noting that some agricultural businesses are not covered in the five groups).
- Draw out the data requirements from the remaining FLG reports and other emerging stakeholders and amalgamate these with the land use data initiative that is already underway.
- Based on user stories we will design outline services with components such as data services (advice and support, conditionality, land mapping, livestock enumeration, business intelligence), enrolment, customer account management, application submission, inspection, payment, notifications, recoveries, appeals, financial accounting and audit.

From this a review can take place of the existing operational process and technologies in place to see if they should be re-used, adapted or replaced.

**This will be a key part for the business case to support the investment decision.**

To establish the necessary work plan for the four month period we will initially have meetings with the five groups and then form coalitions of interest across the groups.