

## DOCUMENT 1

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**From:** [REDACTED]  
**Sent:** 21 September 2017 15:39  
**To:** Cabinet Secretary for the Rural Economy and Connectivity  
**Cc:** [REDACTED]  
**Subject:** RE: PQs S5W-11121 & S5W 11122

Hi [REDACTED]

How about:

- PQs S5W-11121 asks how many LFASS applications have been approved, or await decision, each year since 2015
- The table in the PQ answer shows that for LFAS16: 12,172 applications were submitted, of which 10,330 were approved, with the 1,843 difference awaiting decision
- We are currently rolling out the first tranche of payments and the 8988 claims to be paid by 29/9 are a subset of the 10,330 already approved
- For this reason, the current payment activity can have no impact on the answer to this PQ
- Work is in hand to address 1342 unpaid claims already approved (10,330 – 8988), and to clear the 1842 “awaiting decision”
- There is a range of often complex factors involved, and addressing this is a slow, labour intensive process
- For this reason we don’t anticipate significant change in numbers approved, in the near future
- Of the 1842 “awaiting decision”, as indicated in the background note, over 900 of the cases are likely to prove to be speculative applications and will end up being rejected, but the process of confirming that can still be time consuming.

Happy to discuss.

Regards

[REDACTED]

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**From:** [REDACTED] **On Behalf Of** Cabinet Secretary for the Rural Economy and Connectivity  
**Sent:** 21 September 2017 12:01  
**To:** [REDACTED]; Cabinet Secretary for the Rural Economy and Connectivity  
**Cc:** [REDACTED]  
**Subject:** RE: PQs S5W-11121 & S5W 11122

Hi [REDACTED],

Following our conversation yesterday, I highlighted to Mr Ewing the points you raised as well as key sections in the background note on these PQs.

He has come back with further comment, asking again why figures will not change at a later date in near future.

As we established yesterday I'm not an expert on understanding this system, or going into detail on how the numbers in this question aren't affected by the payment run! I think it would be very helpful if you could draft a short note explaining these numbers specifically in further detail, and why these will not drastically change once payment runs are complete, that I could attached to the PQs when they go to him again.

I'd be grateful if this could come up close of play today.

Happy to discuss,

[REDACTED]

**Assistant Private Secretary to Fergus Ewing MSP, Cabinet Secretary for the Rural Economy and Connectivity  
The Scottish Government**

2N.11 St Andrew's House | Regent Road | Edinburgh | EH1 3DG

Tel: [REDACTED] Email: [CabSecRec@gov.scot](mailto:CabSecRec@gov.scot)

Please check our updated [Ministerial Preferences](#).

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**From:** [REDACTED]  
**Sent:** 20 September 2017 16:03  
**To:** Cabinet Secretary for the Rural Economy and Connectivity  
**Cc:** [REDACTED]  
**Subject:** RE: PQs S5W-11121 & S5W 11122  
**Importance:** High

Hi [REDACTED]

Can we discuss please? Having looked at the questions asked, our answer is not really affected but the current payments roll out. The payments we are generating this week, for payment onto accounts by 29 September, will be broadly speaking a subset of the 10,330 claims shown as having been approved in the LFA16 table within the PQ response submitted for S5W-11121. Looking at the very latest stats, after 3 out of 4 payment calculation runs this week, the 10,330 claim number quoted as "approved" has risen to 10351, i.e., a 20 claim difference, which I don't think can be described as a very different picture. This is unlikely to change much tomorrow.

On S5W-11122, there is no change to the "rejections" position – these are not likely to be actioned in the near future.

Can you confirm, please, whether the existing responses can stand?

Happy to discuss

Regards

[REDACTED]

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**From:** [REDACTED] **On Behalf Of** Cabinet Secretary for the Rural Economy and Connectivity  
**Sent:** 20 September 2017 11:36  
**To:** [REDACTED]  
**Cc:** Cabinet Secretary for the Rural Economy and Connectivity  
**Subject:** PQs S5W-11121 & S5W 11122

[REDACTED],

For the above PQs, it has been suggested that a sentence or two is added in each, something along the lines of these figures are a work in progress, and come the beginning of October it will be a very different picture (will that be the case?)

The final sentence could be 'I would be happy to write to the member to update him on progress at this time'.

Mr Ewing is keen to emphasise or point out this is ongoing progress.

I have sent back for redraft to yourself. If possible could the figures be updated as well. Grateful if the drafts could be returned for cab sec approval by **1645 today**.

Thanks,

[REDACTED]

**Assistant Private Secretary to Fergus Ewing MSP, Cabinet Secretary for the Rural Economy and Connectivity  
The Scottish Government**

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## DOCUMENT 2

### BACKGROUND NOTE FOR S5W-11121

**Less Favoured Area Support Scheme:** The Less Favoured Area Support Scheme (LFASS) is a complex area based scheme worth £65.5 million per annum. Established in 2001, it supports extensive livestock farming and crofting in the most disadvantaged areas of Scotland, covering 85% of agricultural land. To ensure that we pay only active farmers, claim assessment and, if eligible, payment calculation, is based on eligible land areas, adjusted to reflect stocking densities from multiple historic years. Since 2015, LFASS processing has straddled two separate IT systems: claims are submitted, land is claimed and validated, and any penalties are calculated, in the new Rural Payments System (RPS); Claims are validated, and either calculated for payment, or rejected, in the old Scottish Integrated Administration and Control System (SIACS). A Data Integration (DI) process sits between the two.

Issues around the implementation of the new RPS system have been well documented and until we had confidence around the quality of data being transferred from RPS to SIACS we had to carefully manage the process, focussing on paying accurately, those claims deemed eligible for payment, initially for LFASS 2015 and to be followed later this month by 2016. We must continue to focus our limited expert resources on payments for both years, and will issue rejection letters to ineligible applicants once we have scope to do so, and only once we are confident that they relay an accurate message.

Because the LFASS claim is a tick box in the SAF, in any year there are upwards of 900 “speculative” claimants who do not qualify for payment. There is no penalty for submitting an ineligible claim, so they have nothing to lose by doing so. The majority will receive one of eight different system generated rejection letters, but some claims will never be finalised because there’s little incentive for an applicant, who realises they are ineligible, to supply supplementary information to complete the process. For example, the table shows, of 12,406 claims submitted, 11,064 have been approved under LFASS 2015. Of the 1338 claims awaiting a decision, 920 are thought to be ineligible, and the remainder await validation to assess their eligibility. This is typical of any scheme year’s claims, at this stage in the cycle.

To put this in the context of recent advice - which reports that LFASS 2015 payments are 97% complete - this is the number of claims processed for payment (and where appropriate, balance paid) expressed as a percentage of the potentially eligible population at a given time. This is currently the 11,064 claims approved and processed for payment as a percentage of the 11,482 claims deemed eligible (or potentially eligible) and not currently awaiting rejection (i.e., the 920).

We anticipate that any LFASS appeals will be prompted, primarily, in response to the Single Application Form (SAF) Reductions and Exclusions (R&E) letters, which we aim to issue for SAF 2015 later this year. These are designed to cover LFASS and Directs payment (including BPS) and will show how we calculated penalties for over-declaring eligible land areas; claiming areas of ineligible land; or, for LFASS, claiming eligible land which was not actively farmed by the applicant.

Contact Name:

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Ext:

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**The Agri-Environment Climate:** The Agri-Environment Climate Scheme (AECS) promotes land management practices which protect and enhance Scotland's magnificent natural heritage, improve water quality, manage flood risk and mitigate and adapt to climate change.

It also helps to improve public access and preserve historic sites.

A total of £99 million has been committed to 1,417 businesses in 2015 and 2016 to fund a range of activities that help to maintain and enhance our rich and varied natural environment. This year 1,017 applications have been received and the assessment process is on-going.

AECS is a competitive scheme with application rounds for multi-annual contracts which in the majority of cases last for 5 years. During each application round applications are assessed to determine their eligibility and are scored in order to compare each application against all other applications with in the same scoring category and round.

Once all the applications have been scored and the budget agreed, a threshold score is set. All eligible applications scoring on or above the threshold are approved (exceptions can be made if a low scoring case is believed to offer particular benefit to Scotland's Natural Heritage).

Cases can be rejected either because they did not meet the eligibility requirements for the scheme or because they scored below the threshold score. If rejected applicants can ask for feedback from their case officer to help them understand why their application was unsuccessful and hopefully allow them to make a more successful application to a future round.

If applicants are not satisfied with the decision, they can ask for the decision to be formally reviewed. This is a distinct process from the formal appeal procedure for refused or reduced claims for payment which is covered under the EU legislation. In the majority of review cases the original decision is upheld and the case remains rejected.

Contact Name:

Ext:

