POLICY NOTE

THE RURAL SUPPORT (IMPROVEMENT) (MISCELLANEOUS AMENDMENT) (SCOTLAND) REGULATIONS 2025

SSI 2025/59

The Rural Support (Improvement) (Miscellaneous Amendment) (Scotland) Regulations 2025 (the "2025 Regulations") are made in exercise of the powers conferred by section 2 of the Agriculture (Retained EU Law and Data) (Scotland) Act 2020[1].

Section 2(3) of the Agriculture (Retained EU Law and Data) (Scotland) Act 2020 provides that "Regulations under this section are (if they have not been subject to the affirmative procedure) subject to the negative procedure."

The 2025 Regulations are subject to the affirmative procedure.

The 2025 Regulations will come into force on 5 March 2025.

Purpose of the instrument

The 2025 Regulations make modifications to provisions in the main CAP legislation that the Scottish Ministers consider will improve the operation of those provisions.

They modify the provisions in Chapter 3 of Title III of Regulation (EU) No. 1307/2013 (the "Direct Payments Regulation"). That Chapter provides for payment for agricultural practices beneficial to the environment.

They provide for persons receiving basic payments for a particular year to be required to prepare any two out of five 'whole farm' plans or reports for the holding in respect of that year.

The plans or reports will help ensure that farmers have the information they need in order to minimize the environmental impact of their activities, which will also help ensure that the farm business is successful and sustainable.

They will in particular improve the operation of the Direct Payment Regulations by ensuring that public funds paid under those Regulations will support the changes to farming practice that are needed to mitigate the adverse impacts of the twin climate and nature crises.

The improvements in the 2025 Regulations are the start of a journey, and the intention is whole farm planning as condition for receipt of direct payments will be developed further as part of transition from existing CAP legacy schemes to the new support framework under the Agriculture and Rural Communities (Scotland) Act 2024 (the "ARC Act").

The changes contribute to the Scottish Government 'green' conditionality objective for 2025 for essential conditions to ensure climate, biodiversity and efficiency conditions for payments in terms of our published agriculture reform programme route map.

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Policy Objectives

The 2025 Regulations improve the operation of the provisions of assimilated law comprising part of the "main CAP legislation" as defined in section 1(2) of the Agriculture (Retained EU Law and Data) (Scotland) Act 2020 by introducing the foundations of the Whole Farm Plan as a condition for receipt of basic payments.

The long term policy vision is that the Whole Farm Plan will be a service that will support our farmers and crofters to take a holistic view of their farm or croft and make informed use of the future support framework in order to achieve their business goals and deliver towards the Vision for Scottish Agriculture.

The first step towards this service is the foundations of the Whole Farm Plan. These are a collection of plans and reports which will encourage farmers and crofters to take a "whole farm" view of their business and establish their current performance and activities. By doing so, businesses will be able to better identify opportunities for improvement and work towards being more productive and profitable, better positioning them to contribute to meeting Scotland's climate and biodiversity targets

For the 2025 claim year, farmers and crofters will be expected to have started undertaking the plans and audits that are most relevant to their business activities. In particular, they must nominate two plans from the following list in their single application form for that year:

- Carbon plan
- Habitats report
- Soil report
- Animal health and welfare plan
- Integrated pest management plan.

The intention is for all businesses to have the plans and audits relevant to their business activities by 2028, with 2025 marking the start of the transition towards the complete Whole Farm Plan service.

This will help address concerns regarding tackling the climate and nature crises by addressing environmental matters of concern as part of our period of transition from our existing CAP legacy schemes to the introduction of the new agricultural support framework that will be delivered using the powers in the ARC Act.

These changes will contribute towards meeting the Scottish Government 'green' conditionality objective for 2025 for conditions to ensure climate, biodiversity and efficiency conditions for payments in terms of our published agriculture reform programme route map.

Extending or changes to the Whole Farm Plan requirements will require further legislation, so that for example regulations would be made in 2025 for any 2026 changes we propose to make.

UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

The Scottish Ministers have made the following statement regarding children's rights.

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 (the Act), the Scottish Ministers certify that, in their view, the Rural Support (Improvement) (Miscellaneous Amendment) (Scotland) Regulations 2025 are compatible with the UNCRC requirements as defined by section 1(2) of the Act.

EU alignment

The 2025 Regulations will align with recent changes to EU law, insofar as possible and meaningful. The measures will ensure broad alignment to EU CAP objectives. The new EU CAP will support European agriculture to contribute to the ambitions contained in the European Green Deal. This will emphasise actions in pursuit of achieving environmental and climate ambitions whilst contributing to the Green Deal targets.

The 2025 Regulations will similarly contribute to ambitions to seek to tackle the climate and nature crises by addressing environmental matters of concern. These measures will not make it more difficult for Scotland to accede to the EU as an independent state**.**

Consultation

We have consulted on the Agriculture (Retained EU Law and Data) (Scotland) Bill. The Regulations will be used to deliver on the stated objective of the Bill "to enable the continued operation of current CAP schemes and policies, but also to allow them to be progressively improved and simplified".

The concept of baselining – which is the starting point of the Whole Farm Plan, was consulted on as part of the public consultation "Agricultural Transition in Scotland: first steps towards our national policy" in 2021.

The public consultation on 'Delivering our Vision for Scottish Agriculture: Proposals for a new Agriculture Bill' was launched on 29 August 2022 and ran until 5 December 2022. This consultation included a section specifically on the whole farm plan which was supported, developed and informed by the Agriculture Reform Implementation Oversight Board (ARIOB) prior to its August publication.

After the consultation there has been, and will continue to be, regular consultation with the ARIOB. Detailed engagement on the minimum standards of the plans and reports occurred with an extensive range of stakeholders. Input was provide by stakeholders such as the Food & Agriculture Stakeholders' Taskforce (FAST), NatureScot, Scottish Quality Crops (SQC), Quality Meat Scotland (QMS), Scottish Pig Producers, National Sheep Association (Scotland), the Scottish Beef Association and the Agricultural Industries Confederation. A deer vet was also consulted in order to give consideration to Scottish deer farms.

Co-development has also occurred with the Whole Farm Plan Steering Group, which was established by the Cabinet Secretary in 2023. The group meets monthly and is comprised of individuals from National Farmers Union Scotland (NFUS), Lantra, Royal Society for the Protection of Birds (RSPB), Land Workers Alliance, Scottish Tenant Farmers Association, Scottish Crofting Federation and the Scottish Land Matching Service.

Engagement since the publication of the minimum standards of plans and audits on the Rural Payments and Services website has continued and included discussions with Soil Association, Scottish Organic Producers Association (SOPA) and a malting barley company.

Impact Assessments

The 2025 Regulations aim to improve the operation of the provisions of the main CAP legislation as defined in section 1(2) of the Agriculture (Retained EU Law and Data) (Scotland) Act 2020. The intention is that current schemes operated under that body of law will continue until such time as they are replaced by new schemes to be introduced under the ARC Act.

The CAP was formally approved by the European Commission and was developed in conjunction with stakeholders, robustly consulted on and fully impact assessed.

The 2025 Regulations have been subject to a Strategic Environmental Assessment Pre Screening report.

The Equality, Fairer Scotland Duty and Island Communities impact assessments have also been prepared for the 2025 Regulations for publication in addition to the BRIA and CRWIA. The conclusions of these assessments are that no amendments to the policy proposals for the 2025 Regulations are necessary.

Financial Effects

The changes being made by the Regulations will not create significant additional costs for the Scottish Government. There is no change in the administrative checks that are carried out and these are maintained and completed using existing resources and staff. And the cost of amending the Single Application Form has been deemed affordable.

Minimum standards of the reports and plans have been extensively co-designed with the industry to minimise the need to pay for tools or agent involvement as much as possible. Free options for completing the plans and reports are highlighted on the online guidance.

There is an associated cost with soil analysis, but this should provide efficiency savings to the business in terms of fertiliser inputs. Soil analysis is additionally already industry best practice and therefore for many businesses this will already be part of their existing running costs.

Some businesses will already have carbon plans and soil reports in place as part of Preparing for Sustainable Farming support or carbon plans as part of the Farm Advisory Service.

Many businesses will additionally already have these plans and reports in place as part of existing assurance schemes.

The Minister for Agriculture and Connectivity, Jim Fairlie, has approved the BRIA for the 2025 Regulations.

Scottish Government
Agriculture and Rural Economy Directorate

December 2024