**Summary**

RSPB Scotland submitted written evidence to the Finance Committee on preventative spending in September which we encourage the RACCE committee to examine in the context of their scrutiny of the spending review and draft budget. A copy is available online. Investing in the natural environment is, by its nature, preventative spend, as a thriving environment delivers social, spiritual, psychological, health and economic benefits. Failing to protect our environment puts these public benefits at risk, hampers our commitment to meeting the 2020 biodiversity targets as set at Nagoya, and jeopardises Scotland’s reputation as a country which values its iconic natural environment. The most concerning proposal in the spending review is a significant reduction in funds allocated to agri-environment schemes, the most important mechanism available to farmers and crofters to manage for biodiversity. RSPB Scotland strongly encourages the RACCE Committee to recommend that this cut is reversed or reduced.

**General remarks**

Concerted action and investment is needed now if we are to meet the renewed 2020 biodiversity targets, giving recognition from the top that Scottish biodiversity provides essential public goods and has intrinsic value. Protecting biodiversity now and preventing environmental catastrophes before they happen is cheaper in the long run, and can save the need for costly interventions further down the line. The TEEB study has highlighted the growing costs of biodiversity loss and ecosystem degradation, and was discussed in a recent article from DG Environment which stated that ‘a proactive approach to biodiversity loss – where conservation of a species starts before it becomes endangered – could save millions of euros compared to the cost of recovering a population already in serious decline’.

RSPB Scotland recognises the difficulties of balancing the budget in the context of a reduced block grant and accepts that savings have to be made somewhere. However, given the value of our natural environment in terms of public benefits, upon which we all depend, it is a no-brainer to protect the environment through the budget, and also to recognise the potential long-term savings which could be made in other portfolios if greater emphasis was placed on investing in natural habitats and good quality green spaces in our towns and cities. Opportunities in the health sector are particularly interesting given that physical and mental wellbeing and life expectancy are being increasingly linked to access to a high quality natural environment. Glasgow University research published in The Lancet showed that exposure to the natural environment has an independent effect on health – people who are exposed to the greenest environments have the lowest levels of health inequality related to levels of income deprivation.

We highlighted key priorities for preventative spending in our evidence to the Finance Committee earlier this year. A summary is as follows:

- **Peatland restoration.** As well as supporting biodiversity and contributing to the quality of water supply, peatland restoration is cheaper than many other forms of carbon abatement with the added benefit that a single expenditure can result in indefinite carbon abatement and provide a long term sequestration opportunity. The RACCE Committee may wish to ask Ministers how the draft budget will allow the Government to fulfil the SNP’s manifesto commitment to take action to protect and restore peatlands.
- **Coastal realignment and sustainable flood management.** Funding coastal realignment allows remaining and future funds for coastal defence to be diverted to protecting higher priority areas, including densely settled areas, while flood management measures that work with the natural environment provide lower-cost solutions for flood prevention.
- **Green infrastructure.** Access to good quality green spaces has benefits to health and wellbeing (see above), while appropriately managed natural habitats also provide cost-effective natural services to society, such as flood alleviation, pollution reduction, carbon sequestration and adaptation to climate change.
- **Supporting High Nature Value (HNV) farming.** Targeting a greater share of existing Common Agricultural Policy (CAP) support (c. £670 million) at HNV farming and crofting systems would prevent their decline or outright loss and avoid the negative environmental, economic and social impacts that would arise.
- **Early detection and eradication of Invasive Non-Native Species.** A recent government report concludes that the cost to the Scottish economy of INNS is at least £245 million annually.
- **Ecological management of fisheries.** Investment in fisheries and marine science, and in fit-for-purpose data collection, monitoring and compliance, will result in a financially viable, successful industry, free from discards, and ensure that fleet capacity is balanced with available resources.
- **Marine spatial planning.** An ecological approach to marine planning will protect marine biodiversity, ensuring our seas are productive and healthy, and meet a broad range of economic needs.
**Outdoor learning.** Such investment, now, will help deliver a future population accepting of the constraints and benefits of a sustainable lifestyle and sustainable policies – thus preventing costly conflicts in future.

All of these areas have the potential to reap economic benefits after an initial investment. (Tackling climate change is also a top priority but we will brief separately on this issue in line with the committee’s work programme.) RSPB Scotland recommends that the RACCE Committee asks Ministers and officials how these objectives and ideas might be implemented by the budget, if passed.

We focus the remainder of our submission on funding for agri-environment schemes.

**Agri-environment funding**

We are particularly concerned about cuts to the agri-environment budget, which amount to approximately 22% by 2015. This amounts to almost an £11m reduction over the next 3 years and is on top of a £10m reduction already applied in 2010-11 – a **total cut of more than a third over five years**. In the context of the wider Rural Affairs and Environment budget, agri-environment support will take a disproportionately large hit whilst many other budget lines remain stable.

Agri-environment schemes support farmers in delivering a wide range of public benefits which the market does not provide for. Such schemes are one of the most important mechanisms for protecting and restoring biodiversity - the level of support available to farmers for agri-environment schemes will be a key factor in whether or not we are able to meet the 2020 biodiversity targets to which Scotland, the rest of UK and Europe are committed. The further cuts to this already small budget are disastrous in the context of what Scotland is signed up to achieving, and run counter to commitments to protect our biodiversity and the wider environment. Agri-environment schemes not only deliver for biodiversity but help farmers manage our valued landscapes, improve water quality and manage soils to store carbon.

As well as reducing our ability to meet key targets in the short term, cuts in domestic expenditure now are likely to have a bearing on future funding streams. The Scottish Government has already made the case in Europe that Scotland receives the lowest share of EU rural development funds (of which agri-environment schemes are part) of all Member States. These funds have to be matched by domestic expenditure. It is extremely difficult to see, therefore, how cutting domestic levels of agri-environment and other rural development funding now will help to make the case for increased levels of EU funds in future.

Below, we offer two brief examples of how agri-environment funding is vital for biodiversity and to the delivery of public goods and services.

**CASE STUDIES**

**Meeting water quality targets and reducing the risk of flooding**

Agri-environment schemes contain a wide range of measures which can help to improve water quality and reduce the risk of flooding. For example, the introduction of water margins and riparian buffer areas can help to reduce diffuse pollution whilst the management of floodplains can help to reduce the risk of flooding to both rural and urban communities. Under the terms of the EU Water Framework Directive and the Floods Directive, Scotland has obligations to improve water quality and reduce the risk of flooding for its citizens. Cuts in agri-environment expenditure will severely hamper efforts to meet these obligations and will require Government to take a much tougher regulatory approach with the farming industry if it cannot provide the funds for voluntary incentive schemes.

**Corncrake recovery**

The corncrake was once a common farmland bird found in every county in Britain. Changes in farming practices – many encouraged by past agricultural subsidies – have resulted in a massive decline in the corncrake population. By the late 1980s, corncrakes were confined to northern and western Scotland, particularly the Hebridean Islands. Conservation effort, much of it funded by agri-environment schemes, is gradually reversing the fortunes of the corncrake. From just 500 calling males in Scotland in 1993, the most recent figures show an increase to 1,213. This could not have been achieved without agri-environment funding – particularly the Rural Priorities scheme - which has encouraged farmers and crofters to adopt corncrake friendly farming practices and paid them for their efforts. But the future of this bird is vulnerable. Cuts in the agri-environment budget will have an impact on Government’s ability to renew existing agreements with farmers and crofters when these come to an end, and to bring more farmers and crofters into new agreements to help bolster and expand the existing corncrake population.

We believe there is a strong case to review the proposed reduction in agri-environment spend, and restore funding to the previously planned levels. We recognise the challenges faced by the tight settlement from the UK Government, but we believe these cuts undermine the Scottish Government’s own environmental, as well as socio-
economic, objectives and policies. We hope the RACCE Committee will recommend that a way be found to address this concern. There are a number of ways this could be achieved, including applying cuts more equitably across other areas of the Rural Affairs and Environment portfolio. Alternatively, some funding streams might be made to work harder for the environment to compensate for the loss - becoming, in effect, an alternative source of agri-environment funding. For instance:

- The **Business Development** budget line is to be cut from £43.8 million to £36.8 million by 2013-14 (a 16% cut) but then set to increase back to £42.5 million in 2014-15. Applying an overall cut of £8.8 million, tapered over the 2011-2015 period (a cut of £3m in 2012-13, £4m in 2013-14 and £1.8m in 2014-15) would amount to an overall 20% cut. Savings made could be used to reduce the cut in the agri-environment budget.

- The **Scottish Beef Calf Scheme** has a budget of £21m and this funding is set to be maintained. The benefits of this scheme, either in terms of supporting the beef industry or delivering wider environmental benefits, are questionable. An evaluation of the scheme undertaken by the SAC for the Scottish Government found the scheme to be very weak in supporting livestock farming in the most vulnerable and high nature value farming areas in the north and west of Scotland. Using this funding to target extensive livestock farms with agri-environment agreements would represent better value for public money. A proportion of this budget could be transferred to agri-environment schemes and the remainder used to reduce cuts in other areas of the rural development budget.

- The **Less Favoured Area Support Scheme** (LFASS) – which is part of the Scotland Rural Development Programme - receives £65.5 million per annum and this funding is set to be maintained. Whilst support for the LFA is vitally important in helping to support economically vulnerable and high nature value farming and crofting, the payment rates and payment distribution are such that they do not target the most vulnerable farmers, where the risk of land abandonment is greatest, nor those of greatest environmental value. A large proportion of the budget is given to farmers on the better quality land within the LFA. LFASS must be made to work harder to support farming and crofting in those areas where it is under greatest pressure and to deliver environmental benefits. One option is to use a proportion of the LFASS budget – up to £20 million – to fund agri-environment schemes and target this support at those specific areas within the LFA where the greatest public benefit can be delivered.

Finally, we recognise that the Single Farm Payment (SFP) Scheme represents obligatory spending and it is not within the gift of the Scottish Government to cut the budget for this. We believe, however, that this very large pot of money (£434 million) is not delivering the maximum public benefit that it could and needs to be re-focussed. The forthcoming reform of the CAP must move us towards a greener and more equitably distributed SFP scheme, which is complimentary to – and helps to underpin - rural development programmes.

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RSPB Scotland is part of the Royal Society for the Protection of Birds, the UK-wide charity which speaks out for birds and wildlife, tackling the problems that threaten our environment. Nature is amazing - help us keep it that way.

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7. Summary can be found at [https://secure.fera.defra.gov.uk/nonnativespecies/downloadDocument.cfm?id=488](https://secure.fera.defra.gov.uk/nonnativespecies/downloadDocument.cfm?id=488)