

Farm Business Advice and Skills Service (FarmBASS)

Whole Farm Review Scheme – Rules and Procedures



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Contents

Section A – Introduction	1
About the Scheme	
Forms and Scheme website	
Aims and objectives	
Section B – Scheme Rules and Conditions	2
Eligibility	
The Whole Farm Review	
The role of the adviser and your responsibility	
Confidentiality of information obtained	
Section C – The Application Process	5
Section D – The Grant Process	6
Grant rates	
Additional grant assistance	
Required action by the adviser for claiming grant payment	
Required action by the Scheme participant	
Required action for claiming grant by the provider of the additional service	
Key deadlines	
Section E – Complaints and Appeals Procedure	9
Complaints about the Scheme or its administration	
Complaints about your adviser	
Appeals procedure	
Section F – Some Questions Answered	11
Annex 1 – Whole Farm Review Scheme – Specification	15
Annex 2 – Contact Points	20
Annex 3 – Key Deadlines Chart	23

Section A – Introduction

About the Scheme

1. Welcome to the FarmBASS Whole Farm Review Scheme. This scheme offers you an opportunity to take a fresh look at your business, with the help of a professional accredited adviser. The adviser (selected by you) will provide a detailed breakdown of where your business currently stands, what are its main strengths, weaknesses, opportunities and threats and develop an action plan to improve your business performance. The adviser will look at your whole business and help you to make the most of all your assets – business, environmental and skills.
2. Participation in the Scheme will provide you with up to £2,925 worth of professional advice. The Scottish Government will fund a high proportion – up to £2,400 – of this cost. To participate in the Scheme, you must apply to the Rural Business Development Branch of the Scottish Government at the address detailed in Annex 2 and receive an offer letter before entering into a contract with an adviser accredited under the Farm Business Adviser Accreditation Scheme for Scotland (FBAASS). Applications will be considered on a “first-come first-served” basis up to the limit of the available annual budget for each financial year.
3. This booklet provides background information, guidance and Scheme rules for the Whole Farm Review Scheme (referred to from now on as the “Scheme”). It provides information about the Scheme, what it aims to achieve, who is eligible to take part and how to apply. The Scheme is administered centrally by staff in the Rural Business Development Branch, Pentland House, Edinburgh. However, copies of the Scheme leaflet, booklet and application form can be accessed through any of the Scottish Government’s RPID local Area Office network (**see Annex 2 at the back of this booklet for full contact details**).

Forms and Scheme website

4. A Scheme pack has been created for the convenience of participants and will be enclosed with the offer letter sent to successful applicants. In addition, all forms relating to the Scheme can be accessed through the Scheme’s own website: www.scotland.gov.uk/Topics/Agriculture/grants/BDandM/WFRS. The website will be periodically updated by Rural Business Development Branch to provide updated and helpful information.

5. This booklet is correct at the time of going to print. Sections B, C and D (and Annex 1) of this booklet set out binding rules with which an applicant must comply. The Scottish Government reserves the right to introduce amendments to Scheme rules and procedures from time to time.

PLEASE TAKE TIME TO READ THIS BOOKLET BEFORE REACHING A DECISION ON WHETHER OR NOT YOU WISH TO PARTICIPATE IN THE SCHEME.

Aims and objectives

6. The overall aim of the Scheme is to help farmers and crofters to develop financially viable and environmentally sustainable businesses. Although you are not obliged to act on the recommendations contained within the Whole Farm Review, it is hoped that the Review and its accompanying Action Plan, will highlight the opportunities for improving performance that are available to your business and that it will provide a firm basis for you to consider the future development of your business.

Section B – Scheme Rules and Conditions

Eligibility

7. Any farmer, crofter or Crofting Township/Grazing Committee who is registered in Scotland with IACS or who is using a **current** milk quota is eligible to apply under this Scheme. Grants will be offered on a first-come first-served basis to eligible businesses that apply, up to the limit of the available budget.

A farm/crofting business is eligible to apply for a second grant-aided whole farm review provided there is a minimum of 2 years between the date of the first approval and the date of the 2nd application. Both parts of the Whole Farm Review (the review itself and the subsequent Action Plan review) should normally be completed before a second application is made. However, where the Action Plan Review has not been carried out, this can exceptionally be regarded as unnecessary (on the basis that it would be overtaken by the new application) provided that the farm business completes Part 2 of the Impact Assessment form (WFR 5 (2008)) and returns it along with the application for the second Whole Farm Review.

The Whole Farm Review

8. The Whole Farm Review has 4 main elements:
- an overview of the whole business, including objectives, financial performance, environmental performance and skills development needs;
 - an analysis of the key threats and opportunities facing the business;
 - an Action Plan (Stage 1) setting out practical measures to improve the business's financial and environmental performance; and
 - a review of the Action Plan (Stage 2) between 10 and 18 months after the date of the offer letter.

The Review service also includes provision for an additional grant towards further specialist advice needed to implement the Action Plan.

9. The Whole Farm Review is a flexible tool, enabling you and your adviser to concentrate on the most important issues facing your business. However, to ensure that it provides a sound basis for consideration of the options available to the business, it must address all the issues set out in the Specification at Annex 1 of this booklet. The only exception to this rule is where it becomes clear during the review that the real need is for an exit strategy, in which case your adviser may, with your agreement, concentrate solely on this option.

The role of the adviser and your responsibility

10. The review must be completed by an adviser accredited under the Farm Business Adviser Accreditation Scheme for Scotland (FBAASS) who has no direct connections to the business under review, either as a partner, a director or shareholder of a limited company, a close family member of a sole trader or any of the foregoing, or with any involvement in the management of the business.
11. The adviser will carry out the Whole Farm Review and, not later than 18 months from the date of the offer letter, the review of the Action Plan. It is up to you to select a FBAASS accredited adviser and agree a price for delivering the service. The Register of accredited advisers is maintained by Lantra, the Sector Skills Council for the environmental and land-based industries in Scotland. Details of accredited advisers are available from the online register at www.lantra.co.uk/scotland or from Lantra direct (see Annex 2 for Lantra contact details).
12. Your adviser may, with your agreement, engage another adviser or advisers to help with aspects of the service (e.g. to provide specialist knowledge of environmental issues). It is not a requirement of the Scheme for any additional adviser, brought in by your main adviser, to be FBAASS registered. However, your contract will be with your main accredited adviser,

who must bear overall responsibility for delivering the service as a whole. Your main adviser will be responsible for incorporating advice from other sources such as specialist advisers into the Whole Farm Review and Action Plan and for ensuring the quality of that advice.

13. It is up to you and your adviser to agree on how best to work together but, to get the most out of the service, it is essential that you are fully involved in the review process and that you provide all the information needed to give a full picture of your business, your resources and the skills available to you. This will allow your adviser to develop a clear understanding of your business, opportunities and constraints and to formulate practical options for improving your performance and achieving your objectives.
14. For most businesses, this service is estimated to involve around 3 days' advisory support, depending on the size and complexity of the business, plus the time and effort that you put in to provide information and discuss issues and options with the adviser. A detailed **Whole Farm Review Specification** (see Annex 1 of this booklet), sets out the areas and issues that must be considered. **This Specification must form the core of your contract with the adviser.**
15. As Scheme participant, you have a number of obligations to the Scottish Government in return for the grant assistance. Your main obligations are as follows:
 - Both parts of the service (the Whole Farm Review – Stage 1 and the later Action Plan Review – Stage 2) must be completed;
 - You will have to follow the instructions set out in this explanatory booklet and in the offer letter;
 - You will have to complete the Action Plan and Review Declaration (*Form WFR 3 (2008)*) developed during the Whole Farm Review and forward it to the Scottish Government as soon as the review report is completed;
 - You will have to provide feedback on the service, your adviser and the impact of the Review on your business as soon as Stage 2 has been completed and forward *Form WFR 5 (2008)* to the Scottish Government.

Confidentiality of information obtained

16. The Scottish Government will use the information obtained through this Scheme for the purposes of operating and monitoring the Scheme and the improvement of this and related Schemes and services for farmers. The information obtained will also be released to Lantra, to help them develop and target their services to meet your and the wider industry's needs. The Scottish Government will receive a copy of the Whole Farm Review Action

Plan to help assess the quality and impact of the service. The Scottish Government will also request up to 10% of Whole Farm Review reports and monitor the effectiveness of both the report and advice prepared with the assistance of the additional grant. Normally only anonymised statistical information will be included in any report on the Whole Farm Review Scheme. However, please note that the Scottish Government, as a public body, is subject to a number of statutory requirements in the obtaining, processing and disclosure of information. In considering and implementing requests for information it is bound to adhere to the Data Protection Act 1998, the Freedom of Information (Scotland) Act 2002 and the Environmental Information (Scotland) Regulations 2004. Requests to release information will be considered on their merits and unless statutory grounds for the exemption from disclosure exist, the Scottish Government will be legally obliged to disclose the information.

17. If you consider that any information provided by you should be held in confidence, then you should advise the Rural Business Development Branch of the information to which that applies together with the reasons that you consider it to be confidential. If you consider that the information should be held in confidence for commercial reasons then you should explain why its release would result in substantial prejudice to a commercial interest. The Scottish Government does not agree to hold information in confidence but it will consider your views in the course of determining whether it is necessary to disclose the information.
18. In addition, your adviser will have to submit anonymised examples of completed reports to the Accreditation Authority (Lantra), so that they can monitor the quality of the service being provided and ensure that the adviser is meeting the required standards. Lantra may also, with your prior permission, accompany the adviser when he or she visits your business, to monitor their performance. **Any information about your business obtained by Lantra will remain confidential to Lantra and will not be used for any purpose other than monitoring the effectiveness of the Farm Business Adviser Accreditation Scheme for Scotland (FBAASS) and the performance of your adviser.**

Section C – The Application Process

19. An application form (*WFR 2 (2008)*) will be contained within the Scheme booklet (*WFR 1 (2008)*) and are available to farmers and crofters from any of the Scottish Government's RPID local Area Offices (for contact details see Annex 2). Scheme forms can also be accessed through the Scheme website: www.scotland.gov.uk/Topics/Agriculture/grants/BDandM/WFRS. If you wish to participate in the Scheme, you should complete the application form and

send it **direct** to the Rural Business Development Branch at the Scottish Government. *If you do not receive an acknowledgement response within 15 working days from posting the application form, you should advise the Branch accordingly* (for contact details see Annex 2).

20. If your application is successful, you will receive a formal offer letter and a “Declaration and Acceptance of Offer”. **Once you receive the offer, you must promptly engage an accredited adviser to carry out the review.** (Details of accredited advisers are available from the Accreditation Authority (Lantra) – see Annex 2). **Once you confirm the appointment of the adviser, complete the relevant information on the declaration, sign and return one copy to the Scottish Government within 28 days of the date of the offer letter, otherwise the offer may be withdrawn.**
21. If your application is unsuccessful, you will be notified by letter.

Section D – The Grant Process

22. Grant assistance towards the cost of the Review will be paid by the Scottish Government **direct** to your adviser on evidence that each stage has been completed. However, before the grant payment is released, you must firstly pay the adviser for the balance of the service **and the total VAT cost**. The duplicate invoice you receive from the adviser will detail the cost breakdown and what you will be required to pay.

Grant rates

23. The Scottish Government will pay up to £1,900 in two instalments and on completion of each stage (the Whole Farm Review itself (Stage 1) and the later Action Plan Review (Stage 2)). Grant rates are as follows:

Stage 1: 80% of the cost* of carrying out the Whole Farm Review, up to a maximum of £1,600.

Stage 2: 100% of the cost* of the Action Plan Review, up to a maximum of £300.

As the grant does not cover the full cost of the service, you will be required to pay the balance of the cost and the total VAT. (You are required to pay the total VAT as it is your business which is receiving the service.)

**Excluding VAT, except for businesses which are not registered for VAT and will not reclaim the VAT from HM Revenue & Customs, in which case grant will be based on the total cost inclusive of VAT.*

24. **In addition to Stages 1 and 2 mentioned above**, you may also apply separately using *Form WFR 7(2008)* for further additional and specialised advice to implement any of the recommendations in the Action Plan agreed during the development of the Whole Farm Review, subject to the conditions set out in paragraphs 25 and 26 below. A grant of 80% up to a maximum of £500 will be paid to the provider of the service. The balance of the cost and total VAT will require to be paid by the Scheme participant in advance of the grant being released to the provider of the service.

Additional grant assistance

25. The additional advice assistance is available only to farm businesses that have completed a Whole Farm Review under the Scheme and each farm business is entitled to only one offer of additional grant assistance under the Scheme. Approval of this grant will only be made to support specialised advice towards which financial support is not available from any other source or under any other grant scheme. Approval will not be granted towards advice relating to other Scottish Government schemes (e.g. for preparing applications or other representations) or for advice needed to comply with a statutory obligation. Training courses will not be provided for under this grant.
26. A written quotation or estimate from the provider, detailing the service and cost must accompany the application form (*WFR 7 (2008)*). If you wish to apply for this additional service, you must submit your application to the Scottish Government within 12 months from the date of the Whole Farm Review offer letter. If an additional service is approved, you will be allowed a further 6 months for it to be completed.

Required action by the adviser for claiming grant payment

27. Payment of grant to the adviser will be based on the Scottish Government receiving confirmation that the non-grant element of the costs plus the total VAT have been paid by the participant. The grant limits are set out in paragraph 23 above. When issuing an invoice to the participant, the adviser should simultaneously complete the claim form (*WFR 4 (2008)*), attaching a **duplicate invoice**, and forward the documentation to the Rural Business Development Branch.
28. Grant for the Whole Farm Review is payable in 2 instalments, as detailed at paragraph 23 above.

The first stage instalment can be claimed after the Review has been completed (not later than 7 months after the date of the grant offer letter);

The second stage instalment can be claimed after the Action Plan Review has been completed (between 10 and 18 months after the date of the grant offer letter).

Required action by the Scheme participant

29. Immediately following the completion of each stage, the participant must carry out the following actions:
- On completing of the first stage (the Review report), complete *Form WFR 3 (2008)* and send it **direct** to Rural Business Development Branch, The Scottish Government, Pentland House;
 - On completion of the second stage (the Action Plan Review) complete *Form WFR 5 (2008)* and send it **direct** to Rural Business Development Branch, The Scottish Government, Pentland House;
 - On completion of receiving the additional advice (if appropriate), you will have to complete *Form WFR 8(2008)* and send it **direct** to Rural Business Development Branch, The Scottish Government, Pentland House.

Required action for claiming grant by the provider of the additional service

30. To claim the additional service grant (see paragraphs 25 and 26), you will have to complete claim form (*WFR 4(2008)*). If your business is not part of the FBAASS accreditation service, the Rural Business Development Branch will write to you enclosing a copy of form *WFR 4 (2008)* when the Scheme participant is issued with an offer letter and their acceptance has been returned. On completion of the service you should complete the claim form, enclosing a duplicate of the invoice issued to your client and send it direct to the Rural Business Development Branch (see Annex 2 for address details). Your business will, on confirmation from the participant that the service has been completed, receive the grant (maximum permitted £500), payable under this Scheme.

Key deadlines

31. As detailed above, there are a number of key deadlines for the Scheme that must be adhered to for each stage. These are summarised in the chart at **Annex 3** of this booklet.

Section E – Complaints and Appeals Procedure

Complaints about the Scheme or its administration

32. If you have a complaint about the Scheme or its administration, you should discuss the matter with the Head of Rural Business Development Branch at the Scottish Government's Rural Directorate (contact details below), who may be able to answer your concern to your satisfaction.

**Head of Rural Business Development Branch
Agriculture and Rural Development Division
The Scottish Government
Room 261
Pentland House
47 Robb's Loan
Edinburgh
EH14 1TY**

Tel: 0131 244 3159

Email: farmbass@scotland.gsi.gov.uk

Fax: 0131 244 4765

You may also write formally to the Scottish Government Central Complaints Team, using their complaints form. Copies of the form and associated guidance are available on request from your local SG RPID Area Office or from the complaints team at the address below. A copy is also available on the Scottish Government website: www.scotland.gov.uk. You do not necessarily have to contact Rural Business Development Branch before submitting a complaints form, but you are encouraged to do so as a first step. The central complaints team will make sure that they understand the matters you are complaining about and send you a letter to acknowledge your complaint, confirm their understanding of it, indicate how it will be handled and provide details of the person who will handle it. Their aim is to send you a response to your complaint within 4 weeks.

The Scottish Government
Rural Payments and Inspections Directorate
Central Complaints Team
Room 343
Pentland House
47 Robb's Loan
Edinburgh
EH14 1TY

Tel: 0131-244 3111

Email: appealssecretariat@scotland.gsi.gov.uk

Fax: 0131-244 6449

33. You may also use other ways to complain. You may ask your Member of the Scottish Parliament (or alternatively your Member of the UK Parliament) to take up your complaint with the Cabinet Secretary for Rural Affairs and the Environment at The Scottish Government, Pentland House, 47 Robb's Loan, Edinburgh EH14 1TY.
34. If you have used our complaints procedure and are still not satisfied, you (or your representative) may ask the Scottish Public Sector Ombudsman to investigate your complaint. Your representative may be an MSP, local councillor or any person you consider suitable to represent your interests. Your complaint must be submitted to the Scottish Public Sector Ombudsman, 4 Melville Street, Edinburgh EH3 7NS within 12 months after the day on which you first had notice of the matter about which you are complaining. Further information about the Scottish Public Sector Ombudsman is available at www.scottishombudsman.org.uk.

Complaints about your adviser

35. If you have a complaint about the adviser who carried out the Whole Farm Review, you should write, giving full details of your complaint, to the Registrar of the Farm Business Adviser Accreditation Scheme for Scotland (FBAASS), at the address below.

The Registrar
FBAASS
Lantra
Newlands
Scone
Perth
PH2 6NL

Appeals procedure

36. If you feel that the Scottish Government did not reach the correct decision in your case, or you do not fully understand the decision, you should contact the Rural Business Development Branch for a fuller explanation. If you are not satisfied with the explanation given and wish the decision to be reviewed, you should ask the Scottish Government to review the decision. A review of the decision will be carried out by a Scottish Government official not involved in the original decision. A request for such a review must be received within 30 calendar days from the date of the Scottish Government's decision letter.
37. If you are dissatisfied with the outcome of the Review, you have a right to seek judicial review of the decision by way of an application to the Court of Session in Edinburgh. You may wish to seek legal advice.

Section F – Some Questions Answered

Why should I get involved with reviewing my farming business?

This is an opportunity to take a fresh look at your business, with the help of an accredited, professional adviser. The adviser (selected by you) will provide a detailed breakdown of where your business currently stands, what are its main strengths, weaknesses, opportunities and threats and develop an **Action Plan** to improve your business performance. The adviser will look at your whole business and help you to make the most of all your assets – business, environmental and skills.

What will it cost the farming business?

The financial cost to you is modest. The Scottish Government will fund a high proportion of the cost of the Whole Farm Review (Stage 1) – over 80% of the cost, up to a maximum of £1,600. Stage 2 (the Action Plan Review) will also be granted aided up to a maximum of £300. On confirmation that each stage of the service has been completed, we will release payment of the grant element of the costs to the adviser. The balance of any costs plus the total VAT for the service will have to be met by your business. However, there will be a time cost to you as you will need to spend time providing information and discussing the business with your adviser.

How long should the review take?

In terms of the adviser's time, Stage 1 (the Review) itself should take around 3 days for most farms and the later Stage 2 (review of the Action Plan) should take no more than half a day. The adviser's ability to carry out an effective review also depends on your willingness to take the time needed to provide information, discuss your business with them and consider the suggestions and recommendations. Both you and your adviser's contributions are likely to take place over several days or weeks (to allow time for consideration and to fit in with your normal work schedules), but Stage 1 must be completed within 7 months of the date of the grant offer letter. (See chart at **Annex 3** of this booklet for more information about the process and the key deadlines.)

Will the information I provide about my business be used for any other purpose?

Information you provide will normally only be used for the purpose of operating and monitoring the Scheme and the improvement of this and related schemes and services for farmers. The information obtained will also be

released to help Lantra to develop and target their services to meet your and the wider industry's needs. In some circumstances the Scottish Government may be legally obliged, under the Freedom of Information (Scotland) Act 2002 or other legislation, to disclose information held (see also paragraphs 16 and 17).

How do I apply for a whole farm review?

You can apply by completing the application form (*WFR 2(2008)*), which should accompany this booklet or from any Scottish Government RPID local Area Office. It should be returned direct to Rural Business Development Branch, Pentland House, Edinburgh (see contact details at Annex 2).

Who can apply for the whole farm review?

Any farming or crofting business based in Scotland that is registered with IACS, or who is using a **current** milk quota is eligible to apply to the Whole Farm Review Scheme. Applications which meet the eligibility requirements of the Scheme will be dealt with on a first-come first-served basis up to the limit of the available budget.

What if I want the adviser to do more?

You may contract with your adviser to provide more extensive or detailed advice, but you can only receive grant support from the Scottish Government in respect of the Whole Farm Review Scheme and for the purposes of meeting the Scheme specifications (see paragraph 14).

How do I select an adviser?

You may select any farm business adviser accredited under the Farm Business Adviser Accreditation Scheme for Scotland (FBAASS) who is not directly connected with your business or its principal personnel (see paragraph 10). You can obtain details of accredited advisers from the Accreditation Authority (Lantra) (see Annex 2 for contact details).

It is for you to select and contact your preferred adviser and agree the price for delivering the Whole Farm Review, which must be based on the specification at Annex 1. Your accredited adviser will be aware of the specification and of his or her role in delivering the Whole Farm Review, and will be able to help you through the process.

How do I get the most out of the Whole Farm Review Scheme?

You should be prepared to work with your adviser and to discuss your business performance and objectives openly and honestly. The more information you can provide to the adviser at the outset, the more time the adviser will have to analyse that information and concentrate on developing options for improving your business performance. The more open you are with your adviser, the more he or she will be able to develop an Action Plan that reflects your personal and business objectives.

What are my obligations to the Scottish Government?

In return for your adviser receiving financial assistance, you will have to complete both parts of the service (Stage 1 – the Whole Farm Review and Stage 2 – the later review of the Action Plan). You will also have to send to the Scottish Government various documents and provide feedback on the service (see paragraph 29). However, the service is provided for your own benefit and it is up to you to decide whether and to what extent to implement the recommendations developed during the Whole Farm Review.

What are the key deadlines I have to meet with my adviser?

The key dates are summarised in the chart at **Annex 3** of this booklet.

What if I cannot meet one of the key deadlines?

The Scheme has been designed to ensure that you and your adviser have sufficient time to complete the various parts of the review within the key deadlines. If, however, you believe that you are at risk of missing a deadline, you should contact the Rural Business Development Branch (see Annex 2) as soon as possible. In exceptional circumstances, they may consider giving you an extension to the relevant deadline. But you must contact them, preferably in writing or by email as soon as possible and, in any event, before the deadline is reached.

What other sources of advice are available to me?

There are numerous organisations offering a wide range of advisory services to farm businesses. Some of these are free while others are fully commercial. Your adviser should be able to put you in touch with the right organisation for the type of advice you want. Your Scottish Government RPID local Area Office will also be able to give you more information about grants and other services available through the Scottish Government.

What if I have a very large or complex business to review?

Very large or complex businesses might either require more adviser time than the grant can support or lead to a less detailed review. You should discuss with your adviser at the outset what can be delivered within the grant levels and, if appropriate, how much more it might cost you to provide the level of detail you wish.

Will the Whole Farm Review tell me if I am meeting my cross-compliance obligations in relation to the Single Farm Payment?

The Whole Farm Review should highlight any major problems in these areas (as part of the business risk assessment), but it will not provide a comprehensive audit of compliance with all the requirements.

What happens after I have completed the Whole Farm Review process?

That is up to you. The Review should provide you with a list of practical actions aimed at improving your business's performance. It is for you to decide which (if any) actions to take forward and how best to implement them.

Annex 1 – Whole Farm Review Scheme – Specification

1. This specification describes the service towards which the Scottish Government is prepared to offer grant assistance under the Whole Farm Review Scheme. **It must form the core of the agreement between the farmer/crofter and the farm business adviser whom the applicant chooses to deliver the service.** Where the service is provided as part of a wider contract, the costs which relate to this service must be separately invoiced to enable the adviser business to claim grant to which they might be entitled to under the Scheme. Grant will not be paid in respect of any service which does not meet this specification.

The Whole Farm Review

2. The aim of the Whole Farm Review is to help farmers to develop environmentally and financially sustainable businesses by assessing the current state of the farm business and considering how its performance can be improved. The review is in two stages, roughly 1 year apart: **Stage 1** is an analysis of the current state of the business and development of proposals for improving overall performance; **Stage 2** is a review of progress in taking forward these proposals.
3. Stage 1 (the Whole Farm Review) is expected to require around 3 days of consultancy support for most farms; and Stage 2 (the Action Plan Review) is expected to require no more than half a day of consultancy support. Within these parameters, it is for the farmer and adviser to decide how best to work together in order to get the most value out of the exercise. For example, the more basic information the farmer can provide at the outset, the more time the adviser will have to concentrate on the value-added tasks of analysing performance, identifying key areas for improvement or further examination and developing practical options for improving performance.

Stage 1

4. The output from Stage 1 of the Whole Farm Review will be a report on the business, providing an overview of the whole business and its recent performance, highlighting the main opportunities and threats and ending with a prioritised Action Plan setting out the steps to be taken, in particular over the following 12-18 months, to implement the preferred options for improving performance. The report will have the following elements:

- Description of the existing business, summarising:
 - the business ownership, structure, operations and markets;
 - income streams (including subsidies and grants);
 - assets (including land, buildings, machinery, etc.);
 - recent financial performance (gross output, balance sheet and benchmarking analyses);
 - landscape features (including woodland, ancient monuments, etc.);
 - other significant issues (e.g. SSSI/NVZ designations, health and safety, etc.);
 - environmental performance (Cross-Compliance, awareness, existence of environmental management plans, involvement in environmental initiatives, etc.);
 - review of skills levels and any areas of weakness.
- Assessment of whole farm business and options for improvement, including:
 - identification of the farmer's personal and business objectives;
 - SWOT analysis, setting out and prioritising the main strengths, weaknesses, opportunities and threats facing the business;
 - forward look for the whole farm business, highlighting the key issues from the SWOT analysis, identifying the highest priority issues and setting out options for improving performance;
- Action Plan, providing a prioritised list of practical actions to implement the preferred options, concentrating on the next 12-18 months and signposting sources of additional advice or training identified in the Business Skills Development Plan, as appropriate.

The key sections of the report, and where the adviser's skill and expertise will be most valuable, will be the SWOT analysis, the development of options for improving the business's overall performance and the Action Plan to help the farmer achieve the potential improvements:

SWOT Analysis

An analysis of the business's main Strengths, Weaknesses, Opportunities and Threats provides the foundation for consideration of options for improving performance. The SWOT analysis should relate to the whole farm: that is, it should address environmental, financial, management, skills and operational issues. To be effective, it requires a clear understanding of the business and its assets, its recent performance and any significant factors which impact or are likely to impact on performance.

Conclusions

Based on the SWOT analysis and an understanding of the farmer's personal and business objectives, the adviser should develop options for improving the overall performance of the business. In discussion with the farmer, the adviser should prioritise and explore in more detail the most appropriate option or options. The adviser should also identify and explore any particularly significant issues that impact or might impact on the business (for example, succession issues, diversification opportunities, restructuring or modernisation requirements, environmental, energy or waste management issues).

Action Plan

Based on the Conclusions, the Action Plan should provide the farmer with a series of practical steps to take in order to implement the preferred options for the future development of the business. The Action Plan should concentrate on actions over the next 12-18 months, but need not be confined to this period. It should also contain a reasonable number of clearly defined prioritised actions, including guidance and signposting to help the farmer get started.

To start the review process, the adviser will need to collect and analyse information about the business, its assets, its current financial position and recent financial and environmental (including cross-compliance) performance and its personnel and skills base. This will generally involve analysis of the last three years accounts and benchmarking performance against similar enterprises. However, the purpose of this analysis is to inform the SWOT analysis, so the time spent on this and the detail of the analysis should not be more than is needed for that purpose. Where possible, the review should make use of any existing information or recent reviews (e.g. a business review, or an environmental review). This exercise should also help to identify any particularly significant issues that need to be examined in more detail.

In developing the SWOT analysis and future options for improving performance, the Review should take account of particularly significant issues, the farmer's knowledge and awareness and the circumstances of the particular business. The Review specification is sufficiently flexible, for example, to address the following situations:

- a. a relatively new business which does not have a financial history to analyse. The need in the Review might therefore be for a more general consideration of future options and for making sure that the right systems are in place to allow effective monitoring of performance and compliance with regulatory requirements.

- b. a business where the real need is for an exit strategy. In this case, the farmer and adviser may choose to curtail consideration of other issues and concentrate on developing an exit strategy.
- c. a business with severe environmental problems, for example where the Single Farm Payment might be in jeopardy under the Cross-Compliance requirements. In this case, improving environmental performance might be the highest priority and the farmer and adviser might wish to concentrate on this aspect of the business in considering options for the future and developing the Action Plan.
- d. a business wanting to diversify or considering a diversification opportunity. In this case, the farmer and adviser might wish to concentrate on diversification and how this might interact with the rest of the business in the SWOT Analysis, consideration of future options and development of the Action Plan.
- e. a business with difficult succession issues. In this case, the farmer and adviser might wish to concentrate on succession planning in developing future options and the Action Plan.
- f. A business or businesses considering a co-operative venture (for example, a joint business enterprise or an environmental project). In this case, the farmer and adviser might wish to concentrate on this option in the SWOT analysis and in developing future options and the Action Plan, although care should be taken that other significant issues relating to the individual business are also considered and that if the SWOT analysis reveals a more significant priority for the business, then this is fully explored and dealt with in the Action Plan.

In the above, and other circumstances, it should be borne in mind that, if it cannot be encompassed with the Whole Farm Review itself, the farmer could use the optional additional grant to help meet the cost of additional specialised advice. In the case of possible co-operative ventures, two or more farmers who have had a Whole Farm Review may combine their additional grants to help fund a single consultancy to explore the option in more detail.

5. The Stage 1 Review must look at the whole farm business – that is, it must consider business, environmental and skills aspects when considering performance and future options. The Review is carried out in the context of the increasing impact of environmental issues on farm operations, funding and business opportunities. It is becoming increasingly important for farmers to take account of environmental issues and opportunities and to build these into their business planning processes, not least because of the potential impact on farm income of failing to comply with cross-compliance requirements that are attached to the Single Farm Payment. The adviser

should be aware of these issues and of sources of further guidance (e.g. SEPA's NetRegs website; Local Biodiversity Action Plans; Good Farming Practice standards). Skills levels available to the business are also important to improving performance and, for example, making the most of diversification opportunities.

Stage 2

6. The object of Stage 2 is to review progress on and revise as necessary the Action Plan, discuss any problems or outstanding issues and provide further advice as necessary. The farmer is also required, at this stage, to complete an Impact Assessment and Action Plan Review Declaration Form, describing the impact that the Review has had on the business so far. Stage 2 must take place between 10-18 months after the date of the Scottish Government's grant offer letter.

Additional services

7. A farmer may, if he wishes, contract with the adviser to provide extended or additional services, although grant under the Scheme will only be paid towards the service as described in this booklet and only up to the prescribed rates and amounts.
8. The adviser may engage other specialist advisers to bring a broader range of knowledge and skills to the Review (for example, to advise on environmental issues) but must remain the principal contractor to the farmer and must be responsible for managing the process and effectively integrating the additional advice. This requires awareness of the range of regulatory and other issues that potentially impact on farming businesses, the ability to recognise when action or more specialised advice is needed (e.g. to minimise the risk of fines or penalties for breaches of the farmer's obligations) and the ability to obtain or direct the farmer to an appropriate source of further advice. Particular attention should be paid to cross-compliance and Good Agricultural and Environmental Condition requirements attaching to the Single Farm Payment.

Effective signposting

9. Effective signposting is an important element of the Review. The adviser should be able to refer the farmer to other sources of advice and assistance where appropriate, such as the Scottish Government's RPID local Area Offices, the Enterprise Networks, environmental bodies, regulators and industry organisations. This requires knowledge of these organisations and the services they offer as well as the ability to recognise when their services might be relevant to a particular farm business.

Annex 2 – Contact Points

The Scottish Government

Rural Business Development Branch
Agriculture and Rural Development Division
Room 240
Pentland House
47 Robb's Loan
Edinburgh
EH14 1TY

Tel: 0131-244 5236 or 0131-244 6193

Fax: 0131-244 4765

Email: farmbass@scotland.gsi.gov.uk

The Scottish Government

List of local Area and Sub Offices of the Rural Payments & Inspections Directorate (RPID)

Office	Address	Telephone No
AYR	Russell House, King Street, Ayr KA8 0BE	01292 610188
BENBECULA	Balivanich, Isle of Benbecula HS7 5LA	01870 602346
DUMFRIES	161 Brooms Road, Dumfries DG1 3ES	01387 274400
ELGIN	32 Reidhaven Street, Elgin IV30 1QH	01343 547514
GALASHIELS	Cotgreen Road, Tweedbank, Galashiels TD1 3SG	01896 892400
HAMILTON	Cadzow Court, 3 Wellhall Road, Hamilton ML3 9BG	01698 281166
INVERNESS	Longman House, 28 Longman Road, Inverness IV1 1SF	01463 234141
INVERURIE	Thainstone Court, By Inverurie, Aberdeenshire AB51 5YA	01467 626222
KIRKWALL	Tankerness Lane, Kirkwall, Orkney KW15 1AQ	01856 875444
LAIRG	Ord Croft, Lairg, Sutherland IV27 4AZ	01549 402167
LERWICK	Charlotte House, Commercial Road, Lerwick, Shetland ZE1 0HZ	01595 695054
OBAN	Cameron House, Albany Street, Oban PA34 4AE	01631 563071
PERTH	Strathearn House, Broxden Business Park, Lamberkine Drive, Perth PH1 1RX	01738 602000
PORTREE	Estates Office, Portree, Isle of Skye IV51 9DH	01478 612516
STORNOWAY	10 Keith Street, Stornoway, Isle of Lewis HS1 2QG	01851 702392
THURSO	Strathbeg House, Clarence Street, Thurso KW14 7JS	01847 893104

Farm Business Adviser Accreditation Scheme for Scotland

FBAASS
Lantra
Newlands
Scone
Perth
PH2 6NL

Tel: 01738 553311

Fax: 01738 553322

Email: fbaass@lantra.co.uk

Website: www.lantra.co.uk/scotland

Other Useful Contacts

Local Business Gateway offices (in Scottish Enterprise areas) and local area offices of the Highlands and Islands Enterprise can be contacted using the following telephone number (your call will automatically be put through to the correct office for your area):

0845 609 6611

You can also contact them through their websites as follows:

- **Scottish Enterprise Business Gateways: www.bgateway.com**
- **Highlands and Islands Enterprise: www.hie.co.uk**

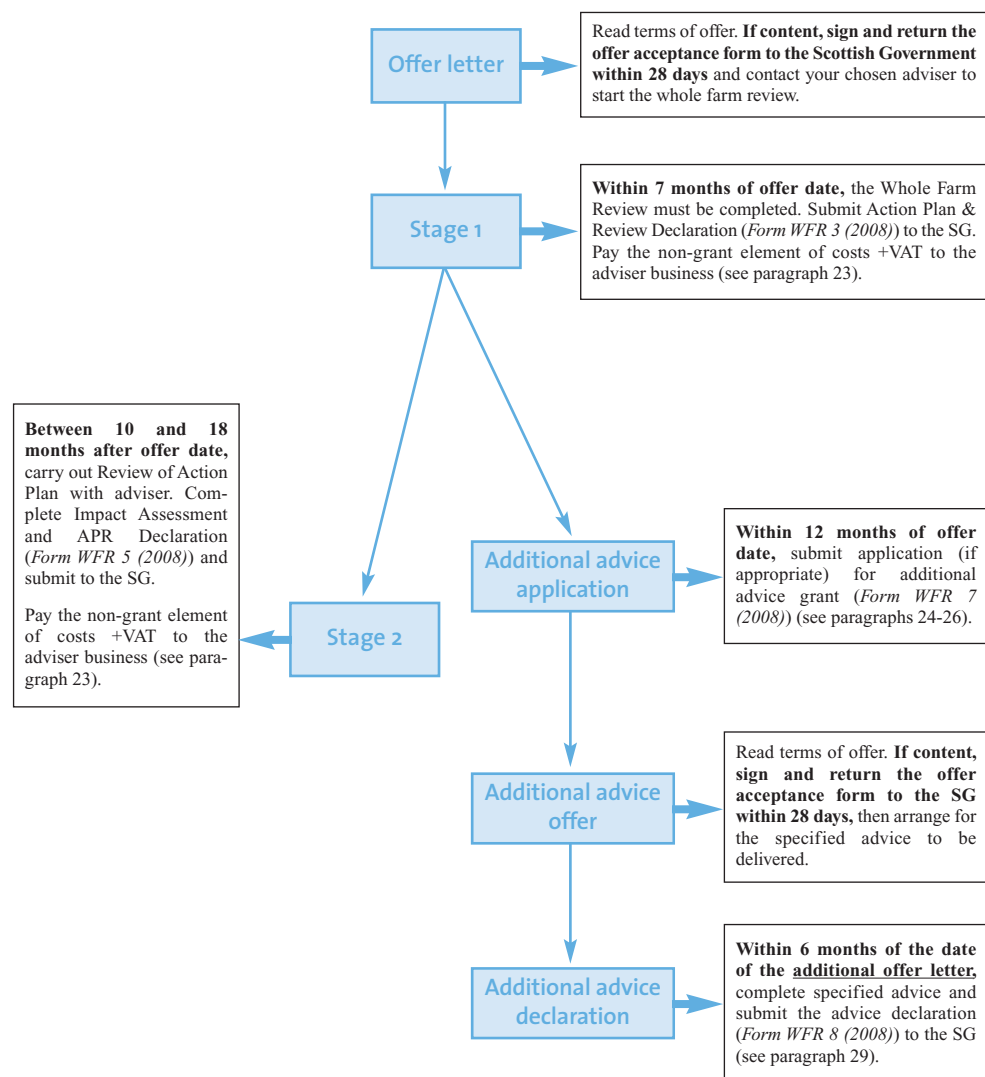
Lantra: www.lantra.co.uk/scotland

www.lantraonestopshop.co.uk

The Scottish Government: www.scotland.gov.uk

Annex 3

Whole Farm Review process: key deadlines chart for Scheme participant



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