Scotland Rural Development
Programme 2014-2020 –
Consultation on Stage 1 Proposals:
An Analysis of Responses

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SCOTLAND RURAL DEVELOPMENT PROGRAMME – CONSULTATION ON STAGE 1 PROPOSALS:
AN ANALYSIS OF RESPONSES

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**The views expressed in this report are those of the researcher and
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EXECUTIVE SUMMARY

Introduction

1. In May 2013 the Scottish Government launched a public consultation to gather views on its proposals for the next Scotland Rural Development Programme (SRDP) which will run from 2014–2020. The consultation document, *Consultation on Scotland Rural Development Programme (SRDP) 2014–2020*, was published on 1 May 2013 and set out the Government's initial proposals for the new programme period. The consultation closed on 30 June 2013.

2. The consultation questionnaire contained a combination of closed questions (for which respondents were asked, "Do you agree or disagree with X"), and open questions where they could explain their views on specific proposals.

Number and type of respondents received

3. The consultation received 151 written submissions from 43 individuals (28%) and 108 organisations / groups (72%). Organisational / group respondents included, among others: local authorities (19%); environmental, nature and heritage conservation bodies (17%); farming and crofting organisations (11%) community groups (9%); and economic development agencies (6%).

4. Less than a fifth of organisational respondents and around a third of individual respondents identified themselves as having a primary interest in farming, crofting or forestry.

5. Sixteen individual respondents submitted similar, very short responses. These responses addressed only two consultation questions: asking for significant funding to be allocated to agri-environmental schemes as a priority, and for the amount of funding modulated from the Direct Payments scheme to SRDP to be increased from the current 14% to the maximum 15%.

Interpretation of findings

6. The results of a consultation cannot be taken as representing the wider views of the general population. This means that caution must be used in interpreting the *quantitative* findings of a consultation. The value of consultation is in the *qualitative* comments that respondents make, the concerns and issues they raise and the suggestions they offer.

Main findings

7. Overall, respondents were broadly in agreement with the direction of travel set out in the consultation document. There appeared to be strong support for the Scottish Government's proposals, in most cases, indicated by the high proportion of respondents expressing agreement in the closed questions. There was a clear desire for the SRDP to be simpler and more accessible, and for some respondents, this principle seemed to be more important than the specifics of how a scheme was delivered.

8. The only question on which there was disagreement was Question 11 about whether crofters should be restricted from applying for funding to other SRDP

measures if a targeted Crofting Support Scheme (CSS) were established. Respondents' views appeared, in their agree / disagree responses, to be divided with a slightly higher proportion disagreeing. However, the analysis of comments on this question showed clearly that there was a high level of agreement between them (which illustrates the point made above about interpreting the quantitative findings with caution). The main issue raised on this question was that duplication of funding should be avoided. Duplication was also highlighted as an issue by respondents more generally in their comments on the overall SRDP programme (both between different SRDP schemes, and between SRDP and other funding programmes).

9. Although respondents often indicated agreement with certain proposals, usually citing the reasons given in the consultation document, their comments frequently made it clear that their agreement was **in principle only**. Many expressed concerns or reservations, or suggested that their agreement depended on certain conditions being met. The concerns voiced by those who *agreed* were often the same as (or very similar to) the reasons given by respondents who *disagreed* with the proposals.

10. It is also important to note that a frequent comment made by respondents, in relation to *all proposals,* was that insufficient information was available in the consultation document to form an opinion on particular proposals. Many said that they reserved the right to agree or disagree with the proposal once further details were available.

Key cross-cutting themes

11. Across all questions and in relation to all proposals, a number of key themes were frequently raised by respondents. At a high level these themes related to: (i) the design of the programme; (ii) the design of individual schemes within it; and (iii) the administration of SRDP 2014–2020.

Programme design

12. Respondents stressed the importance of:

- Ensuring the new programme is aligned and integrated with other national (and EU) policies and programmes
- Learning from other successful programmes
- Maximising the funds available for the programme.

Scheme design

13. With respect to the proposed changes to individual schemes, or introduction of new schemes, it was clear that respondents would like to see schemes that:

- Emphasise public good over commercial interests
- Focus on agreed national priority outcomes
- Enable local priorities to be taken into account
- Have adequate budgetary resources
- Take into account a possible need for flexibility.

Administration of SRDP 2014–2020

14. Respondents voiced a wide range of concerns in relation to the administration of the programme. These concerns largely reflected respondents' experiences with the current SRDP with frequent calls for the Scottish Government to implement the findings from the Mid Term Evaluation of SRDP 2007–2013. Specifically, respondents wanted to see:

    - High quality, comprehensive and accessible guidance from the outset
    - High quality advice and support arrangements
    - Greater transparency in the assessment process
    - Equitable access to funding for a broad range of applicants
    - Improved overall monitoring and less onerous audit procedures.

15. In general, concerns or disagreements raised in relation to individual proposals relate to one or more of the issues discussed above. There were a small number of proposals for which the comments made were very specific to the proposal. Details are available in the full report.

Priorities for investment

16. Question 3 in the consultation document asked respondents to identify their priorities for investment in the new SRDP by selecting from a list of specific investment articles (i.e. the article numbers from European legislation).

17. There was variation between groups in the articles that they prioritised. Those with interests in particular areas (e.g. forestry, farming, conservation) tended to give the highest priority to articles related to their own interests or perspectives. However, across all respondents, there appeared to be *consistent support* for six investment articles and *consistently little support* for five others.

High priorities	Low priorities
- Knowledge transfer and information actions (Article 15) - Advisory services, farm management and farm relief services (Article 16) - Farm and business development (Article 20) - Basic services and village renewal in rural areas (Article 21) - Agri-env-climate (Article 29) - Co-operation (Article 36)	- Restoring agricultural production potential damaged by natural disasters…. (Article 19) - Risk management (Article 37) - Crop, animal and plant insurance (Article 38) - Mutual funds for animal and plant diseases and environmental incidents (Article 39) - Income stabilisation tool (Article 40)

18. In their comments, respondents emphasised that SRDP funding should be prioritised for projects that are mostly likely to deliver *public benefit and long-term sustainable impacts* rather than *private, short-term, commercial interests*.

Conclusion

19. The consultation has revealed endorsement of the direction of travel for the development of SDRP 2014–2020, especially in relation to the simplification and streamlining of the programme. However, given the absence of detail about the implementation arrangements, at this stage the endorsement is in principle only.

1 INTRODUCTION AND BACKGROUND

1.1 This report presents an analysis of the 151 submissions received in response to the Scottish Government's *Consultation on Scotland Rural Development Programme 2014–2020: Initial Proposals*.[1]

Background

1.2 The Scotland Rural Development Programme (SRDP) is funded by the European Agricultural Fund for Rural Development (EAFRD) and the Scottish Government and provides financial support to businesses and communities across rural Scotland. The current programme (2007–2013) has provided £1.2bn to more than 7,500 businesses and 2,000 community projects.

1.3 The SRDP is seen as making an important contribution to the Scottish Government's commitments to create a greener, fairer and wealthier Scotland.[2] A mid term evaluation of the current SRDP recognised its considerable achievements.[3] However, it also highlighted a number of issues, including the differential effectiveness of different parts of the programme and the complexity of the administrative arrangements.

The consultation

1.4 The Scottish Government is required to submit a new programme for approval in order to access EAFRD funds for the period 2014–2020. Building on the Mid Term Evaluation and work already undertaken with stakeholders, *The Consultation on Scotland Rural Development Programme 2014–2020: Initial Proposals* aimed to gather feedback which would inform development of more detailed proposals for the new programme (due for consultation in late 2013).

1.5 The consultation paper outlined the importance of learning from the current programme and addressing the issues of effectiveness and complexity. Given the expectation of a 10%–20% SRDP budget reduction, the consultation paper was also clear about the need to take a strategic approach and focus on key priorities to ensure maximum value from the available funds. Within this broad context, comment was invited on initial thinking on the new programme.

1.6 The consultation ran from 1 May to 30 June 2013. The consultation paper was issued directly to around 350 interested parties and was available on the Scottish Government website (with hard copies available on request). The SRDP policy team also organised a series of regional road shows to promote awareness of the consultation. A summary document, video and podcast were also available on the consultation website.

1.7 The consultation paper included a total of 29 questions. The majority of the questions (24) invited respondents to indicate agreement or disagreement (yes / no) with the Scottish Government's proposals and explain the reasons

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[1] Responses to the consultation, where the respondent agreed to publication, can be viewed at: http://www.scotland.gov.uk/Publications/2013/08/8963.

[2] http://www.scotland.gov.uk/About/Performance/scotPerforms/objectives

[3] P&L Cook and Partners (2011) *Mid Term Evaluation of Scotland Rural Development Programme*, Scottish Government. Available from: http://www.scotland.gov.uk/Publications/2011/03/21113609/0.

for their views. Five questions invited views on a proposal or issue without seeking agreement or disagreement.

Approach to the analysis

1.8 The aim of this report is to present an analysis of the comments received, representing the range of views submitted. All responses were entered into a database structured around the consultation questions. Comments from non-standard responses (i.e. those not following the consultation questionnaire) were entered against relevant questions as appropriate. Comments not relating to any of the set questions were also entered into a separate field and included in the analysis.

1.9 The analysis was largely qualitative in nature. However, quantitative analysis was undertaken for the yes / no questions. If the respondent did not answer a yes / no question, where possible, their agreement or disagreement with the proposal was inferred from their comments. If it was not possible to infer agreement or disagreement, the tick-box response was classified as 'Other'. The 'Other' category takes account of different types of responses, including: *mixed views* (the respondent set out the pros and cons of the proposal without making their own view clear); *no views* (the respondent stated that they have no view on the proposal, but nevertheless made a relevant comment); *uncertain views* (the respondent said they required further details before they could form an opinion on the proposal).

1.10 Quantitative findings are presented in tables for relevant questions. However, these findings should be regarded as indicative only. It was clear that many of those indicating agreement with certain proposals did so *in principle only*, often going on to express significant caveats or concerns or to set conditions upon their agreement. These generally overlapped with the concerns raised by those who disagreed with the proposals. As such, the value of the consultation comes from gaining an understanding of what respondents liked and did not like about the proposals, rather than from the levels of agreement / disagreement expressed.

1.11 Throughout the report the main focus is on exploring the qualitative views submitted by respondents. However, in considering the findings of the analysis (both quantitative and qualitative), it is important to bear in mind that views gathered through an open consultation exercise cannot be regarded as representative of the views of the population as a whole. Rather, they tend to be the views of people who have an interest in the subject and the time and opportunity to take part.

Structure of the report

1.12 Chapter 2 provides details of the respondents and the responses received. Chapters 3 –13 provide an analysis of respondents' comments on the 29 consultation questions. These chapters largely follow the structure of the original consultation document. The exception is in relation to Question 19, which is considered together with Questions 25 and 26 as part of a discussion about SRDP advisory services.

2 RESPONSE TO THE CONSULTATION

2.1 This chapter provides details of the number and types of respondents to the consultation and the types of responses received.

Number of responses received and types of respondents

2.2 The consultation received 151 submissions in total. See Table 2.1 for a breakdown of the number of individual and organisational respondents.

Table 2.1: Number of respondents

Type of respondent	Number of respondents	%
Individuals	43	28%
Organisations / groups	108	72%
Total	**151**	**100%**

2.3 Organisational / group respondents included local authorities and other local / regional public organisations; representative bodies for farmers and crofters; environmental, nature and heritage conservation organisations; community groups; economic development agencies; etc. See Table 2.2. A full list of organisational / group respondents is provided at Annex 1. The table shows that, together, farming, crofting and forestry organisations comprised less than a fifth of organisational respondents.

Table 2.2: Type of organisational respondents

Type of organisational respondent	Number of respondents	%
Local authority or other local / regional public bodies	21	19%
Environmental / nature / heritage conservation bodies	18	17%
Community body, community-related charities or local partnership bodies	13	12%
Farming or crofting organisations	12	11%
Local LEADER Action Groups	7	6%
National public agencies and charities	7	6%
Economic development agencies	6	6%
Forestry organisations	6	6%
Third sector agencies	5	5%
Tourism organisations	3	3%
Other (incl. academic, land management orgs, private sector, etc.)	10	9%
Total	**108**	**100%**

2.4 Of the 43 individual respondents, 25 (60%) provided information about their rural interests (e.g. farming, forestry, fishing, etc.). See Table 2.3. About a third of individual respondents were identified as having an interest in farming, crofting or forestry.

Table 2.3: Interests of individual respondents

Topic of interest	Number of respondents*
Farming	13
General land management (or interest in a combination of land uses)	6
Other rural community issues	6
Forestry	1
Deer and game management	1
Other	5
Not able to be classified	18

   * Four respondents reported more than one interest. Thus, the total does not equal the total number of individuals who took part in the consultation.

Types of responses received

2.5   Of the total 151 responses, 118 (78%) were submitted using the standard questionnaire format. The remaining 33 (22%) were non-standard responses (email messages or letters which did not entirely address the consultation questions). More than half of individual respondents (56%) submitted non-standard responses, whereas most organisational / group respondents (92%) submitted standard responses. However, respondents who submitted standard responses did not necessarily address all the questions in the consultation questionnaire, or answer both parts of all two-part questions. Response rates varied from 87% (Question 3) to 38% (Question 29). Annex 2 provides details of the response rates for each of the consultation questions.

2.6   It is not unusual for public consultations to receive 'campaign responses'. The term 'campaign response' generally refers to identical responses submitted by different people using a standard form of words provided by a campaign organiser. Some consultations receive substantial numbers of campaign responses.

2.7   The current consultation did not receive any campaign responses in the narrow sense defined above. However, 22 respondents (16 individuals and 6 organisations) submitted responses which all contained two key messages relevant to Question 3 and Question 28 of the consultation:

- "At least 50% of the SRDP 2014–2020 should be allocated to agri-environment." (Question 3)
- "The Scottish Rural Development Programme should modulate the maximum funds allowed (15%) to rural development." (Question 28)

2.8   Several of these responses also referred to a report published by the Royal Society for the Protection of Birds (RSPB) called *State of Nature 2013*.[4]   The responses were all distinctly worded and the key messages were sometimes expressed slightly differently. Nevertheless, taken together, they are a kind of modified campaign.

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[4] See http://www.rspb.org.uk/Images/stateofnature_tcm9-345839.pdf . This report was produced collaboratively by 25 organisations working in nature conservation in the UK and its overseas territories.

3 WIDER CONTEXT – EU FUND STRUCTURE

3.1 This chapter presents findings from an analysis of the responses made in relation the Scottish Government's proposals: (i) to marshal EU funds into three Scottish funds that reflect both Scottish Government and EU priorities and (ii) to establish a single Programme Monitoring Committee to monitor the spend of EU funds in Scotland.

Three Scottish funds (Q1)

3.2 The consultation paper set out proposals for marshalling Scotland's EU funding into three funds covering:

- Competitiveness, innovation and jobs
- Low carbon, resource efficiency and environment
- Local development and social inclusion

3.3 Respondents' views were sought on this approach:

> **Question 1:** Given the EU's Common Strategic Framework approach do you agree or disagree that EU funds in Scotland should be marshalled into three funds? Please explain your views.

3.4 In total, 101 respondents answered this question (11 individuals and 90 organisations). Of these 88% agreed with the proposal to marshall EU funds in Scotland into three funds and 8% disagreed. See Table 3.1.

Table 3.1: Summary of responses by respondent type (Q1)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	8	81	89	88%
Disagree	2	6	8	8%
Other	1	3	4	4%
Total	**11**	**90**	**101**	**100%**

Views in support of the three fund approach

3.5 Those who agreed with the proposal offered a range of interlinked views. They thought that the three fund approach would:

- Aid clarity and simplicity, while also maximising the scope for coordination, integration and improved targeting
- Support transformational change and achieve greater impact
- Offer advantages in relation to administration and governance and be more transparent and open to scrutiny.

3.6 There was also support for the specific themes proposed. These were described as being "sufficiently broad in scope to meet current economic challenges and provide a flexible framework …to adapt to future change". Respondents commonly regarded these themes as appropriately aligned with EU priorities and the Scottish Government Economic Strategy.

Caveats and disagreement with the three fund approach

3.7   The following views were put forward by those offering qualified agreement or disagreement with the three fund approach:

- *Adopting a joined-up approach:* Respondents referred to other relevant Scottish Government policies and strategies, including the Land Use Strategy and Scottish Biodiversity Strategy, and the importance of adhering to the principle of minimising environmental harm in operating the three funds. Respondents stressed the need for the funds to adopt a joined-up approach which recognised the positive impact that environmental projects could have on communities and local economies. There was concern that the approach should incorporate procedures for cross-fund projects which could deliver multiple benefits.

- *Coverage and emphasis of the three funds:* Respondents highlighted a number of issues which they thought needed to be given prominence across the three broad themes: biodiversity; environmental and landscape level benefits; the rural economy and rural communities; social and economic development; climate change; food security; and the historic environment. In relation to the 'low carbon, resource efficiency and environment' theme in particular, there were suggestions to place this theme first; to reorder the phrasing to put 'environment' first; and to include a reference to 'biodiversity'. The absence of a specific mention of 'climate change' was a particular concern. A fourth theme of 'financial instruments' was also suggested.

- *Equitable treatment of rural and urban areas:* Issues raised here included ensuring that rural areas could access ERDF (European Regional Development Fund) and ESF (European Structural Fund) support; the potential of rural projects having to compete against (often larger scale) urban projects; the importance of ensuring that small businesses (which tended to dominate in rural areas) were not disadvantaged; the concern that 'rural' should not come to be interpreted as 'land-based'; concerns that sustainability, farming and agricultural interests should not be disadvantaged.

- *Management and governance:* Concerns were raised in relation to the challenge of managing funds over such a wide remit; the different eligibility and audit requirements for different EU funds and the need for clear procedures to ensure these were met; how different stakeholder organisations would interact across the funds; and what delivery structures would be adopted. Respondents asked for clarity about what would be delivered at national, regional and local levels, and there was a suggestion that arrangements should allow for regional variation.

- *Accessibility for fund-users:* There was concern that the approach would require complicated rules and structures. Respondents highlighted the need for: clear procedures and guidance for each fund; clarity about the activities supported by each fund and the linkages between the funds; and adequate publicity.

3.8   At a more principled level, respondents questioned the need for and / or benefits of a three fund approach, particularly given the virtual nature of the

funds. Alternative suggestions included the establishment of a single fund better able to take an integrated strategic approach, and a fund structure based on geographic (national, regional, local) lines.

Other issues

3.9   There was criticism of the perceived lack of detail and further information was sought on: how the funds would be structured and managed and how they would operate; the delivery mechanism for the three funds; and the linkages and relationships between the funds.

A single Programme Monitoring Committee (PMC) (Q2)

3.10   As well as outlining the proposed three Scottish funds, the consultation paper set out plans for a single Programme Monitoring Committee (PMC). The PMC would be supported by advisory groups and sub-committees as required and would involve stakeholders with interests across the three funds. Views were invited on the establishment of such a committee:

> **Question 2:** Do you agree or disagree with the proposed establishment of a single Programme Monitoring Committee to ensure all EU funds are targeted effectively? Please explain your views.

3.11   In total, 101 respondents answered this question (13 individuals and 88 organisations). Of these, 79% agreed with the proposal to establish a single PMC and 10% disagreed. See Table 3.2.

Table 3.2: Summary of responses by respondent type (Q2)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	11	69	80	79%
Disagree	–	10	10	10%
Other	2	9	11	11%
Total	**13**	**88**	**101**	**100%**

Views in support of the establishment of a single PMC

3.12   Those who agreed with the proposal believed that this approach would:

- Support integration and joined-up working
- Minimise bureaucracy and duplication of effort
- Improve monitoring and consistent scrutiny across the funds.

3.13   Respondents generally wished to see the PMC taking a high-level role in providing strategic direction (including in relation to ensuring alignment with other Scottish Government priorities) and overseeing performance.

Caveats and disagreement with the establishment of a single PMC

3.14   The following views were put forward by those offering qualified agreement or disagreement with the three fund approach:

- *Supporting structures:* There was concern about whether and how a single PMC could operate effectively. Respondents commonly argued that it could only do so if it was sufficiently staffed and resourced and supported by sub-committees and working groups. There were calls for a separate sub-committee for each fund and for regional PMCs. Generally, respondents favoured devolved decision-making.

- *Representation:* This was a key issue for respondents who argued for representation that reflected a full range of issues and sectors (e.g. wider rural as well as land-based interests; the highland and island perspective; environment and sustainability; community and third sector interests); and included a range of organisations (e.g. local authorities and community planning partnerships; business development agencies; LEADER LAGs), with a number of respondents putting forward their own case for inclusion. While there was consensus about the need for wide-ranging representation, there were also concerns about the potential for conflicts of interest and lobbying. Concern about representation was a key issue for those opposed to a PMC.

- *Openness and transparency:* There were calls for the PMC to be open and transparent in its operation, to establish clear channels of communication with those not directly involved as representatives and to routinely publish papers and minutes.

- *Access to expertise:* The need for the PMC to have a good understanding of a wide range of issues within its remit was noted, along with the need to have access to expert advice. Sub-committees were seen as one way of providing the level of expertise required. However, others saw the issue of expertise as a fundamental reason for opposing a single PMC.

- *Clarity:* Respondents stressed the need for clarity on how the PMC would operate, and the rules and requirements governing different aspects of the operation of the PMC and the three funds. The need for clear alignment with EU rules was noted.

- *Remit:* Some wished to see the role of the PMC limited to that of overarching or essential monitoring and reporting, while for others, the necessarily wide-ranging role of the PMC was seen as just too challenging for this to be a practical option.

3.15   Those opposed to the establishment of a single PMC favoured a less layered structure and argued for separate management arrangements for each fund.

Other issues

3.16   Respondents sought further clarity on how the PMC would operate, and the relationship between the PMC and its delivery partners and agents.

4 INVESTMENT PRIORITIES FOR RURAL DEVELOPMENT (Q3)

4.1 This chapter provides an analysis of responses on proposals for investment priorities for the SDRP 2014–2020. The consultation document listed the investment articles from European legislation that were relevant to those priorities (articles 15–40) and asked respondents which articles they saw as priorities.

> **Question 3:** Given the need to prioritise spending in the future programme which articles do you see as a priority for use within the next programme? Please explain your views.

4.2 Altogether, 132 respondents (36 individuals and 96 organisations) made a comment relevant to Question 3. Of these, 71% indicated one or more articles which they thought should be prioritised in SRDP 2014–2020. The remaining 29% highlighted issues which they wanted to be prioritised, without referring to a specific article. Within this group were 16 'campaign' respondents who stated that "At least 50% of the SRDP 2014–2020 should be allocated to agri-environment." These respondents were all presumed to be in support of Article 29 (agri-env-climate).

4.3 Respondents highlighted a wide range of issues and specific articles as priorities. There were just a small number of articles which attracted little or no support. Given the level of detail in the responses, the analysis presents only a broad indication of where respondents' priorities lay. However, all comments will be read and considered by the Scottish Government in the development of the new programme.

Variation in priorities by respondent type

4.4 A comparative analysis was undertaken of the comments from the eight largest groups of respondents to the consultation.[5] The analysis showed that there was variation between groups in the articles they prioritised, with respondents tending to give priority to articles which related to their own particular interests or perspectives (e.g. forestry, farming, conservation). See Annex 3 for details of priority articles by respondent type.

Highest priorities

4.5 When considering the comments of all respondents together, the following six articles were commonly identified as priorities:

- Knowledge transfer and information actions (Article 15)
- Advisory services, farm management and farm relief services (Article 16)
- Farm and business development (Article 20)
- Basic services and village renewal in rural areas (Article 21)
- Agri-env-climate (Article 29)

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[5] (i) Local authorities, LEADER Action Groups and other local bodies (n=21); (ii) Environmental, nature and heritage conservation bodies (n=16); (iii) Farming / crofting organisations (n=9); (iv) Community bodies and local partnerships (n=8); (v) National public bodies (n=6); (vi) Forestry organisations (n=5); (vii) Economic development agencies (n=5); and (viii) Individual respondents (as a group) (n=28)

- Co-operation (Article 36).

4.6   In their comments, respondents emphasised that SRDP funding should be targeted at projects that are mostly likely to deliver *public benefit and long-term sustainable impacts* (in jobs, communities, business growth, etc.) *rather than private, short-term, commercial interests*. In particular, the articles selected for inclusion in the programme should (among other things):

- Reflect local economic development and regeneration priorities
- Tackle structural changes in rural communities
- Promote innovation and competitiveness and improve performance in small rural businesses (including, but not limited to, farm businesses and crofts)
- Support implementation of the Scottish Land Use Strategy
- Address inequalities
- Improve diet and health
- Improve recreational access to land
- Support biodiversity
- Mitigate climate change
- Avoid duplication with other European funds.

Lowest priorities

4.7   There was little / no support among respondents for the following five articles to be regarded as priorities:[6]

- Restoring agricultural production potential damaged by natural disasters and catastrophic events… (Article 19)
- Risk management (Article 37)
- Crop, animal and plant insurance (Article 38)
- Mutual funds for animal and plant diseases and environmental incidents (Article 39)
- Income stabilisation tool (Article 40).

4.8   These were thought to be commercially-oriented articles which offered poor value for money in terms of public benefit. It was suggested that it may be more appropriate for SRDP funding to be used for training in risk management.

Gaps

4.9   In their comments, respondents sometimes also identified priorities which they thought were not covered by any of the articles.[7] These included:

- Community capacity building (including local infrastructure projects such as footpaths, tourism offices, village halls, etc.)

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[6] Respondents either did not mention them at all, or said specifically that they should not be priorities.

[7] Several respondents expressed concern that LEADER articles 42–45 appeared to have not been included in the consultation document. The reason for this is that, although Articles 42–45 discuss LEADER, they are not specifically investment articles. The Scottish Government has stated that LEADER will remain within the Rural Development Programme with a minimum spend of 5%.

- Training for unemployed young people in rural communities and related issues of out-migration by young people
- Conservation and management of the historic environment
- Creation and management of small (community) woodlands
- Maintenance and improvement of upland farmed landscapes (particularly peatlands)
- Support for farmers whose land had been designated as SSSI[8] and SPA[9] (which has effectively prevented the land from being farmed)
- Poverty reduction.

Other issues

4.10 Respondents raised a very wide range of other detailed issues in their comments on Question 3. In some cases, respondents simply asked for clarification or further details about what was covered under specific articles. Examples of other issues raised include:

- *The appropriateness of what should or should not be covered under certain articles:* (e.g. "Article 15: this could be used to invest in a range of rurally based training and skills development, not limited to land management"; "Article 18: investment in physical assets (but not drainage)")
- *The level of funding which should be made available under certain articles:* (e.g. "LEADER should not be tagged to the 5% minimum as the document hints, but raised as high as is possible")
- *The balance in the focus of the articles:* (e.g. "…there is a very large emphasis on forestry – the articles do not represent a balance of the important Scottish habitats")
- *Why certain articles should be prioritised:* Respondents prioritised a wide range of articles in addition to the six listed above in paragraph 4.5. Many provided detailed reasons about why they saw specific articles as important for rural development investment in Scotland.
- *General comments about the focus of the programme:* (e.g. "…so called 'slipper farmers' should not receive payments, this money (saved) could go towards modulation / new entrants").

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[8] Site of Special Scientific Interest
[9] Special Protection Area

5   STRATEGIC TARGETING (Q4)

5.1   This chapter provides an analysis of respondents' views on Section 5 of the consultation document regarding the strategic targeting of investments. The consultation document set out the Scottish Government's proposals to target certain investment options to achieve the greatest contribution towards delivering the Government's rural priorities, with geographical targeting suggested for some investment options. Respondents were asked the following question:

> **Question 4:** Do you agree or disagree that we should geographically target our investment to areas where support will make the greatest contribution to our priorities? Please explain your views.

5.2   In total, 106 respondents (16 individuals and 90 organisations) answered Question 4. Of these, 66% agreed with the proposal to geographically target investments and 26% disagreed. See Table 5.1.

Table 5.1: Summary of responses by respondent type (Q4)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	11	59	70	66%
Disagree	5	22	27	26%
Other	–	9	9	9%
Total	**16**	**90**	**106**	**100%**

Percentages do not total 100% because of rounding.

5.3   The figures in the table above should be treated with caution. In the consultation document this question sat within a section that discussed the wider issue of strategic targeting. However, the question itself focused solely on targeting on a geographical basis.

5.4   Respondents' comments suggested that they were supportive of the principle of strategic targeting, i.e. targeting to achieve specific priority outcomes, but they had strong reservations about geographical targeting.

Views in support of geographical targeting

5.5   Those who agreed with the proposal thought geographical targeting would:

- Result in better value for money
- Avoid the possibility of resources being spread too thinly
- Have the potential to improve people's awareness of funding opportunities, thereby increasing uptake and avoiding expense for those whose applications are unlikely to succeed.

Caveats and disagreement with geographical targeting

5.6   Caveats and disagreements with geographical targeting were that:

- *It was not appropriate for all priorities:* It was suggested that geographical targeting may be appropriate for some priorities (e.g. crofting), but not for

others (examples given included organic farming, forestry or small woodlands). Therefore, respondents suggested there could be an *element* of geographical targeting, but that strategic investment should not solely be on a geographical basis.

- *It could act as a barrier to achieving strategic priorities:* The point was made that "lines on maps" can create barriers to larger cross-boundary projects.
- *It might result in poor resource allocation:* Geographical targeting could result in funding being allocated to areas that do not have the capacity or opportunities to absorb the support. It could also result in poorer quality projects from one area being funded, while good projects from another area are rejected because of lack of funding.
- *It could increase administrative complexity:* There was a view that a regionalised approach would add a further layer of administration.

5.7 There was a strong feeling among respondents that if geographical targeting were to be taken forward, a degree of flexibility would be needed to ensure the money was well spent.

Other issues

5.8 The issue of geographical / regional targeting was closely linked for many respondents with the issue of regional prioritisation, decision-making and accountability. Some believed that local government was in the best position to administer rural development funding in their own areas, while others thought local decision-making would result in unacceptable inconsistencies and variation in assessment criteria for funding.

5.9 There was a general call for more detail about the proposal. Specifically, respondents wanted clarity on:

- How regional priorities would be set
- How geographical areas would be defined. The point was made that, within administrative areas (e.g. the Highlands), there are often very diverse habitats, agricultural systems, service provision, etc.

6   DELIVERING THE SRDP: PROGRAMME STRUCTURE

6.1   This chapter provides an analysis of responses in relation to Section 7 of the consultation document which set out a series of proposals about the programme structure for SRDP 2014–2020. Views were sought on a range of issues: (i) possible changes in the source of support for small local businesses; (ii) whether Regional Project Assessment Committees (RPACs) should be replaced with a more streamlined assessment process; (iii) whether the Forestry Challenge Funds should be discontinued; (iv) how food and drink grants should be decided; (v) possible changes in support for crofting and, potentially, other small holdings; (vi) possible replacement of the Skills Development Scheme with an Innovation Challenge Fund; and (vii) possible changes in support for new entrants to farming.

Support for small local businesses (Q5)

6.2   The consultation document set out the Scottish Government's proposals for support for small businesses to be directed through the Local Development fund (LEADER in rural areas). This would see small local businesses applying to their Local Action Group (LAG) for a grant rather than to a national or regional organisation. Respondents were asked:

> **Question 5:** Do you agree or disagree that support for small local businesses should be provided through LEADER? Please explain your views.

6.3   In total, 95 respondents (12 individuals and 83 organisations) answered Question 5. Of these, 73% agreed with the proposal to provide support for small local businesses through LEADER and 13% disagreed. See Table 6.1.

Table 6.1: Summary of responses by respondent type (Q5)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	7	62	69	73%
Disagree	1	11	12	13%
Other	4	10	14	15%
Total	**12**	**83**	**95**	**100%**

Percentages do not total 100% because of rounding.

Views in support of providing small local business support through LEADER

6.4   Those who agreed with the proposal thought that providing support for small local businesses through LEADER was a good idea because:

- *LEADER has worked well in the past*: It has provided good value for money and, over time, has acquired the experience and expertise to undertake this work, especially through the LAG structure and networks which provide access to relevant skills.

- *Decisions about support for small local businesses should be taken locally*: This enables investments to align more closely with local strategies and recognises that small businesses have different needs to large businesses.

- *LEADER has been important in bringing rural communities beyond farmers into the SRDP*: This had social as well as environmental benefits and helped to break down barriers between farmers and other local businesses.

Caveats and disagreement with providing support through LEADER

6.5 Caveats and disagreements with providing support to small local businesses through LEADER highlighted:

- *The need for a sufficient budget to be available:* The point was made repeatedly that an increased budget allocation for LEADER would be required for this proposal to be viable, otherwise support for other community projects would be compromised.
- *The need to address a range of administrative and training issues:* Respondents emphasised that in order for this to work effectively, the current application process would have to be simplified and improved in line with the recommendations from the SRDP Mid Term Evaluation. Improvements would be required to written guidance, audit processes, coverage, decision-making, community involvement, etc. LAGs would also need to be upskilled to cope with the new responsibilities.
- *The role and remit of LEADER should be reviewed:* Some respondents thought that LEADER should not focus solely on economic development, but should incorporate environmental and landscape projects. Others thought the current focus of LEADER in community-led local development was distinctive and should be retained.
- *Links should be made to other relevant bodies and organisations:* There was a view that LEADER should be coordinated with other services (including Business Gateway and Highland Opportunity Ltd.), and other programmes (European Structural Fund, European Fisheries Fund Axis 4, etc.). However, some respondents made a specific comment that the Business Gateway service was more suited to this task.

Other issues

6.6 There was a general call for more detail about the proposal. Many respondents commented that their agreement was conditional at this stage.

Regional Proposal Assessment Committees (Q6)

6.7 The consultation document set out the Scottish Government's proposals to disband RPACs as part of their efforts to streamline the targeting of investments. Respondents were asked the following question:

> **Question 6:** Do you agree or disagree to the proposal to disband RPACs and replace with a more streamlined assessment process as explained in Section 8? Please explain your views.

6.8 In total, 98 respondents (15 individuals and 83 organisations) answered Question 6. Of these, 74% agreed with the proposal to disband RPACs and 7% disagreed. See Table 6.2.

Table 6.2: Summary of responses by respondent type (Q6)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	11	62	73	74%
Disagree	1	6	7	7%
Other	3	15	18	18%
Total	**15**	**83**	**98**	**100%**

Percentages do not total 100% because of rounding.

6.9 In general, respondents' comments suggested that they were supportive of the principle of disbanding RPACs (because they were not perceived to have been successful), but that this support could only be offered on a conditional basis until more details of the replacement arrangements were available.

Views in support of disbanding RPACs

6.10 Those who agreed with the proposal believed that RPACs had not worked as originally intended and this had been clear from an early stage. They had been slow, bureaucratic and had not added value to the decision-making process. Therefore they should not continue as currently constituted.

Caveats and disagreement with disbanding RPACs

6.11 Many of the caveats and disagreements with disbanding RPACs related to comments about what would replace them. In this context, respondents raised the following points:

- *A regional dimension to decision-making is vital:* There was widespread support for some regional dimension to decision-making on rural priorities, as many environmental priorities operate at a regional level. This would require collaboration and integration between organisations, stakeholders, and structures operating at a regional (and national) level. One respondent suggested allocating budgets to individual EU articles.

- *Local priorities must be taken into account:* Whatever replacement is designed, local strategies must be integrated with regional priorities. The LEADER programme and the associated LAGs were mentioned frequently as a potential model which incorporated local priorities but also took a wider view.

- *The Mid Term Evaluation should be implemented:* Respondents commented that disbanding RPACs is not a solution in itself. Much work is required to develop a suitable replacement and the difficulties of streamlining should not be underestimated. The Mid Term Evaluation was suggested as providing a good starting point.

- *Any replacement needs a clear remit and sufficient resources:* There was a view that the remit of RPACs had not been clearly defined and the resources had not been sufficient. These issues would have to be addressed.

Other issues

6.12　There was a general call for more detail about the proposal. Specifically, respondents wanted clarity on:

- The expertise, knowledge and remit of case officers (including RPID officers) and the availability of (free) advice to develop applications
- The decision-making process of any replacement body.

Land Managers Options (Q7)

6.13　The consultation document set out the conclusion from the SRDP Mid Term Evaluation that the LMO scheme "has not to date delivered strongly evidenced transformative change, though some positive effects are intimated". The suggestion was made that, given this finding and the reduced resources available, this mechanism should be removed from the next programme. Respondents were asked the following question:

> **Question 7:** Do you agree or disagree that LMOs should be removed from the future programme, given the spending restrictions we are likely to face and the need to ensure maximum value from our spending? Please explain your views.

6.14　In total, 93 respondents (19 individuals and 74 organisations) answered Question 7. Of these, 65% agreed with the proposal to remove LMOs and 25% disagreed. See Table 6.3.

Table 6.3:　Summary of responses by respondent type (Q7)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	11	49	60	65%
Disagree	8	15	23	25%
Other	–	10	10	11%
Total	**19**	**74**	**93**	**100%**

Percentages do not total 100% because of rounding.

6.15　Agreement and disagreement with the proposal was equally balanced for respondents who identified their interests as being in farming, crofting, and land management. For these (22) respondents, 10 (45%) agreed with the proposal, 10 (45%) disagreed and the remaining 2 (10%) offered a response which could not be classified.

Views in support of removing LMOs

6.16　Those who agreed with the proposal supported the analysis set out in the document and thought that LMOs should be removed because:

- LMOs had been of limited effectiveness and had not achieved impact
- Take up of LMOs had been rather poor
- The uncompetitive nature of the LMO scheme could not be justified
- LMOs did not represent value for money.

Caveats and disagreement with removing LMOs

6.17 Caveats and disagreements with removing LMOs were that:

- *A broad and shallow scheme is attractive:* Some respondents emphasised that the benefit of the LMO scheme is that it is simple, available to all, and provides important support especially to small land managers, hill famers etc. They felt that a 'light touch' scheme is attractive.
- *The options available under LMO should be reviewed:* Many respondents emphasised that the options that had been available under SRDP 2007–2013 had not been well chosen. If the options were reviewed and made more meaningful and appropriate, the LMO scheme would have achieved more.
- *Access to the main Rural Priorities scheme for small units / crofts will have to be improved:* The removal of LMOs would need to go in tandem with a commitment to improving access to the main Rural Priorities scheme for small units and crofts.

Other issues

6.18 There was a call for more detail about the proposal. Specifically, respondents wanted clarity on what, if anything, will be put in place of LMOs.

Forestry (Q8)

6.19 The consultation document set out the Scottish Government's proposals to continue forestry support with the Forestry Commission Scotland (FCS) as lead Delivery Partner. The suggestion was made that, within this, Forestry Challenge Funds would be discontinued, with WIAT (Woodlands In and Around Towns) areas being funded through Rural Priorities and LEADER being explored as a mechanism for Forestry For People (F4P). Respondents were asked the following question:

> **Question 8:** Do you agree or disagree that the Forestry Challenge Funds be discontinued with WIAT being funded through Rural Priorities and F4P funding being provided via LEADER? Please explain your views.

6.20 In total, 70 respondents (8 individuals and 62 organisations) answered Question 8. Of these, 81% agreed with the proposal to reorganise forestry funding and 6% disagreed. See Table 6.4.

Table 6.4: Summary of responses by respondent type (Q8)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	5	52	57	81%
Disagree	1	3	4	6%
Other	2	7	9	13%
Total	**8**	**62**	**70**	**100%**

6.21 The figures in the table above should be treated with caution. This was a composite question, and it was not clear in every case whether respondents were responding to one or both parts of the question.

6.22   In general, respondents' comments to this question suggested that they were supportive of the proposed reorganisation of forestry funding. This agreement was, in large measure, linked to negative assessments of the current arrangements, which were characterised as overly complex with poor technical support.

6.23   Five of the six organisations directly involved in forestry responded to this question. The views of these organisations were diverse and not identifiably distinct to the views expressed by other respondents.

Views in support of proposal to reorganise forestry funding

6.24   Those who agreed with the proposal thought that this approach would:

- Reduce cost to applicants and result in better value for money
- Continue the support for forestry schemes which were valued
- Build on the model which had been successful in the past of delivering F4P through LEADER
- Provide a more natural and intuitive alignment for the delivery of WIAT and F4P.

Caveats and disagreement with proposal to reorganise forestry funding

6.25   Caveats and disagreements in relation to reorganising forestry funding as suggested were that:

- *Sufficient budget and support were needed:* It was argued that the transfer of any scheme would have to be accompanied by an appropriate budget. In particular, more funding would have to be allocated to LEADER to deliver F4P. Moreover, there would have to be substantial increase in the capacity for support available through LAGs.
- *The reorganisation requires the Rural Priorities budget to be simplified:* The point was made that simplification of the Rural Priorities budget would be necessary in order to improve on the current situation. This task should not be underestimated.
- *WIAT might consume an excessively high proportion of the available forestry funds:* The current WIAT is ring-fenced and it is not clear whether that will continue. There was concern that WIAT might squeeze out other priorities from remote communities and from other woodland funds.
- *Geographical coverage of LEADER will have to be extended:* At present LEADER is limited to rural areas. Coverage would have to be extended into urban areas.
- *The effect on small woodland owners:* There was a concern that the National Forest Estate could become a major, potentially overpowering, new entrant which could disadvantage smaller companies.

Other issues

6.26   Respondents asked that good links be established between the two funding streams to ensure there is no duplication of funding. They also asked that the schemes should relate to biodiversity, not just provide a recreational resource.

Food and drink grants (Q9)

6.27 Currently, support for the food and drink sector is provided through a ring-fenced grant scheme administered by the Scottish Government. The consultation paper indicated that ring-fencing would continue, but set out the option for food and drink grants to be dealt with by the Competitiveness, Innovation and Jobs Fund delivery partners, along with other business development applications. Views were sought as follows:

> **Question 9:** Do you agree or disagree that Food and Drink grants be decided via the wider decision-making process for business development applications or should they remain separate and managed within the Scottish Government as is the current practice? Please explain your views.

6.28 Slightly less than half of all respondents (71 out of 150) answered this question. Respondents comprised 9 individuals and 62 organisations. Given the somewhat ambiguous wording of the question, the numbers of respondents indicating agreement or disagreement are not presented. Care also needs to be taken in interpreting the comments submitted.

6.29 Views on this issue were mixed. While the balance of opinion favoured the proposal for food and drink applications to be dealt with via the wider decision-making process for business development applications, a significant minority of respondents supported the current arrangements.

Views in support of transfer to Competitiveness Fund delivery partners

6.30 Those in favour of food and drink applications being dealt with by Competitiveness Fund delivery partners thought that this would support:

- An integrated, collaborative approach
- Greater consistency and scrutiny
- Fairness to applicants across all sectors. Some noted that the food and drink sector should be able to compete against other sectors
- Decisions based on commercial principles
- A process which could consider local circumstances and national priorities.

6.31 There were, though, some calls for specialist input and particularly for the Scottish Government to retain some role, e.g. providing specialist expertise as required or dealing with large applications.

Views in support of retention within the Scottish Government

6.32 The following views were offered in support of continuing the current arrangements:

- *Satisfaction with current arrangements:* Respondents were positive about the current FPMCS scheme and its administration by the Scottish Government and argued that change should only be introduced if clear benefits could be identified.
- *Impact on rural food producers:* There was a concern that smaller rural food producers would be disadvantaged in a scheme open to all business development applicants.

- *Support for a government role:* There was a view that the government's role was merited, given (1) the key significance of the food and drink sector to the economy, and (2) the linkages with other areas (e.g. health and wellbeing and the environment) which required a joined-up approach in order to take full account of wider policies and priorities.

Other comments

6.33   A range of more general points were also put forward, as follows:

- Ring-fencing of the food and drink budget should continue
- Ensuring that decisions were made by those with relevant knowledge and expertise was more important than the agency given responsibility
- Support for food and drink proposals (along with other business proposals) should come from structural funds not the SRDP
- Clear linkages between the food and drink scheme and other support to businesses were needed
- All applications (i.e. not just food and drink) should be assessed against sustainability and environmental criteria as well as competitiveness criteria
- Priority should be given to food and drink applications with public health benefits or innovative approaches.

6.34   Finally, respondents sought more information on how wider business applications would be dealt with, and how food and drink applications would be handled alongside those.

Support for crofting (Q10, 11, 12)

6.35   The consultation document highlighted the significant benefits to Scotland from small-scale agricultural systems. At the same time the challenges faced by crofters were acknowledged. The consultation document set out several proposals that were intended to support crofting and three related questions were asked:

> **Question 10:** Do you agree or disagree with crofting stakeholders that a Crofting Support Scheme is established in the new programme that will fund all grants relevant to crofting? Please explain your views.
>
> **Question 11:** If a Crofting Support Scheme is developed, do you agree or disagree that crofters (and potentially small landholders) be restricted from applying for other SRDP schemes which offer similar support? Please explain your views.
>
> **Question 12:** Do you agree or disagree on whether support for crofting should extend to small land holders of like economic status who are situated within crofting counties? Please explain your views.

Should a Crofting Support Scheme be established? (Q10)

6.36   In total, 62 respondents (14 individuals and 48 organisations) answered Question 10. Of these, 73% agreed with the proposal to establish a Crofting Support Scheme and 8% disagreed. See Table 6.5. Eight of the 12 farming / crofting groups that took part in the consultation responded to this question, and all eight supported the proposal.

Table 6.5: Summary of responses by respondent type (Q10)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	10	35	45	73%
Disagree	2	3	5	8%
Other	2	10	12	19%
Total	**14**	**48**	**62**	**100%**

Views in support of a Crofting Support Scheme (CSS)

6.37 Those who were in favour of a CSS thought that:

- *Previous SRDP schemes had failed to adequately support crofting:* In particular, CCAGS[10] had not been well used by crofters, and there was a view that LFASS[11] supported the most favoured in the least favoured areas.

- *The public benefits of crofting justified a targeted scheme:* Crofting was considered to have social, economic and environmental benefits and crofting methods were seen to be important in supporting biodiversity.

- *Targeted ring-fenced funding could help to protect crofting:* Better access to funding would encourage increased activity in crofting communities and on common grazing land, and could slow the decline in crofting.

- *It would help to overcome the economic barriers faced by crofters:* Compared to those with larger commercial holdings, crofters were perceived to be disadvantaged due to distance from suppliers and markets. It was suggested that payments under a CSS could be set to better reflect the extra costs involved in farming in remote, rural areas.

- *It would make SRDP funding more accessible to crofters:* A targeted scheme would enable advice to be tailored to the special needs of crofters, and would have more appeal for crofters who do not feel they can compete with bigger farms under other agri-environment schemes. It would also avoid confusion for crofters about which fund they should apply to.

Caveats and disagreement with a CSS

6.38 Some respondents agreed to the proposal, but voiced the following caveats:

- *The scheme should also be open to smallholders:* Smallholders face similar difficulties as crofters in competitive funding schemes.

- *Crofters must remain subject to cross-compliance requirements:* This should include heritage protection. This was a very strong view among conservation groups.

- *The CSS should not be a one-size-fits-all scheme:* It would need to recognise that crofts vary in size and include many different habitats.

- *A CSS should not increase administrative costs or complexity.*

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[10] Crofting Counties Agricultural Grant Scheme
[11] Less Favoured Areas Support Scheme

6.39   The relatively small group of respondents who were *not* in favour of establishing a separate scheme for crofters thought that:

- *Crofting is not a special case:* There was a view that the significant benefits that crofting brings to fragile rural areas can also be delivered by other types of farms (both large and small).
- *The challenges facing crofting communities are not solely about land use*: Issues to do with remoteness, poor communications and small populations need to be considered separately from the issue of crofting tenure.
- *CCAGS should be improved rather than creating a new scheme.*

6.40   A few respondents made suggestions for alternative methods of supporting crofting, rather than forming a separate crofting scheme. These included providing targeted advice and support to crofters and weighting applications from crofters (because of the high value of their environmental benefits) to increase their competitiveness.

Other issues

6.41   It was common for respondents to make comments regarding the delivery of the scheme, if it were established. They emphasised that the focus of any funding scheme for crofters should be on outcomes, not on types of land tenure / management. The point was made that, "It is the public benefit in social and environmental outcomes that warrants support, not crofting per se". A range of specific suggestions was made about the delivery of the scheme, including that it should:

- Be simple and easy to access
- Provide advice / support to encourage take-up of funding. This could include specialist advice regarding different types of habitats.
- Provide both revenue funding and capital grants
- Be managed and delivered at a local level (e.g. via Agricultural Local Action Groups)
- Take into account common grazing groups and allow common graziers to apply. This was a strong view.

6.42   It was also suggested that crofters and their representatives (rather than farmers or farming representatives) should form the majority of any working group involved in developing the scheme.

6.43   Other points raised by respondents were that:

- There is a need for greater engagement between the crofting and forestry sectors, including opportunities for crofter forestry
- The Scottish Government should also create a separate fund to support the organic sector
- The Government should use SRDP or structural funds to redress the current situation whereby around half of all common grazings are currently unregulated or do not have a committee in office.

6.44   Respondents often requested further details about the proposal. In particular, clarification was needed about:

- *What exactly the new scheme would support*: There was a view that the support "should be for crofting, not for crofters". Another view was that it should be used to support *traditional* crofting practices only.
- *Whether the CSS would be a competitive or non-competitive fund*
- *The definition of a 'croft':* It was noted that crofts vary significantly in size and in relation to the habitats they support.

Restricting crofters from applying to other SRDP schemes (Q11)

6.45   In total, 64 respondents (13 individuals and 51 organisations) replied to Question 11. Of these, 36% agreed and 45% disagreed that crofters should be restricted from applying to other SRDP schemes if a CSS is established. See Table 6.6. Of the 12 farming / crofting groups that took part in the consultation, eight responded to this question. Of these, most (n=6) disagreed with the proposal, one agreed and one made comments which could not be classified.

Table 6.6: Summary of responses by respondent type (Q11)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	5	18	23	36%
Disagree	7	22	29	45%
Other	1	11	12	19%
Total	**13**	**51**	**64**	**100%**

6.46   The figures in the table above suggest that there were divided views among respondents in relation to this question, with a slightly larger proportion disagreeing with the proposal. In fact, respondents' comments indicated that there were very similar views between those who agreed and those who disagreed. *Both groups supported the general principle that duplication of funding should be avoided.*

6.47   Thus, those who *agreed* that crofters should be restricted from applying for other SRDP schemes did so because they thought this would prevent the duplication of funding by different schemes. Similarly, those who *disagreed* thought that crofters should be able to access funding from other schemes *so long as* the activity was not also funded through the CSS.

6.48   Some respondents did not believe a single scheme could fund all the requirements crofters might have, and did not think the Government should seek to create a scheme that would do this.

6.49   Others suggested that the Government should make every effort to devise a CSS that would make it *unnecessary* for crofters to have to apply to multiple schemes (e.g. the support offered through a targeted CSS should, at the very least, be equivalent to that offered through other schemes). Some who advocated this view were less concerned about the issue of duplication, believing that crofters would "stick with the simplest solution" and apply to crofting-specific scheme unless they had to do otherwise.

Other issues

6.50 Respondents stressed the need to ensure that the CSS is well integrated with other SRDP schemes. However, respondents also often made the point that, until further detail was available about the scope of the proposed CSS and other SRDP schemes, it was not possible to answer this question.

Extending CSS to small land holders of like economic status (Q12)

6.51 In total, 60 respondents (12 individuals and 48 organisations) replied to Question 12. Of these, 60% agreed and 27% disagreed that, if a CSS were established, it should be extended to smallholders of like economic status in crofting counties. See Table 6.7. Eight of the 12 farming / crofting groups that took part in the consultation replied to this question. Farming groups (n=5) supported the proposal whereas crofting groups (n=3) disagreed.

Table 6.7: Summary of responses by respondent type (Q12)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	7	29	36	60%
Disagree	4	12	16	27%
Other	1	7	8	13%
Total	**12**	**48**	**60**	**100%**

Views in support of extending the CSS to smallholders in crofting counties

6.52 Those who agreed with the proposal to extend the CSS to smallholders in crofting counties gave the following reasons:

- *Fairness and equity*: All small-scale, low-intensity farms provide important social, environmental and economic benefits in fragile areas, irrespective of legal status. There was a strong view that, since smallholdings deliver the same outcomes as crofting, the same support should be available to them.
- *Similar circumstances:* All small units face the same challenges in relation to lack of economies of scale and difficulties in competing for funding with larger commercial holdings.
- *Smallholdings help to support crofting:* Smallholdings were considered to play a key role in keeping neighbouring crofts active, providing machinery, labour, handling facilities, etc.
- *Administrative efficiency:* It would more efficient to have all small land holders (crofters and non-crofters) applying to the same scheme.

Caveats and disagreement with extending CSS to smallholders in crofting counties

6.53 A strong theme in the responses to Question 12 was that small landowners of like economic status should be eligible for funding under the CSS, *irrespective of whether they were situated in crofting counties*. As stated above, if small-scale, low-intensity farms can deliver the Government's priority outcomes, there is no reason to limit ring-fenced support to crofting counties only.

6.54 Alternatively, if a crofting-only scheme was set up, then:

- This should focus on the specific issues of crofting land tenure regulations and the unique circumstances of common grazing committees.
- Special provision should be made in the main scheme for small units, and application processes and assessment criteria should be designed so as to favour smallholders over larger landowners.

6.55 Those who disagreed with the proposal to extend the CSS to small holdings in crofting counties gave the following reasons:

- *The regulatory demands placed on crofters:* Crofting regulations are intended to deliver public good. Therefore, crofters should be given additional support to do this. It was acknowledged that smallholders can provide similar benefits to crofters and that they face similar difficulties to crofters, although not in relation to the issue of land tenure and control.
- *Targeted funding would encourage crofting:* Some respondents thought that a programme targeted specifically at crofting would encourage crofters to remain in the regulated system rather than decroft. It might also encourage some smallholders in crofting counties to (re-)register their land as croft land. There were concerns that, if CSS funding were also available to non-regulated smallholders, it would result in more decroftings as there would seem to be no advantages to remaining in the crofting system only disadvantages from the burden of regulation.
- *The economic circumstances of crofters and smallholders were different:* Some described smallholders as "hobby farmers", stating that many had other sources of income. Thus there was a view that they should not receive support from public funds.
- *A crofting-only fund (at least initially) would be more effective:* Given the limited funding available, it would be best to target that funding to crofting. Extending provisions to non-croft holdings would dilute its effectiveness. However, in time, the scheme could be extended.

Other issues

6.56 Other points made by respondents were that:

- CSS funding should not only be for crofters and smallholders, but also for a wide range of other community groups, social enterprises and small businesses 'of like economic status' in crofting counties (e.g. market gardens, allotments, equestrian liveries, etc.).
- A proliferation of schemes with low compliance requirements could have a negative impact on the ability of SRDP to deliver public good.

6.57 Respondents wanted clarification about a number of points, including:

- *The definition of a smallholding:* The point was made that some crofts are larger than some smallholdings and are farms in every way but legal status.
- *The definition of 'like economic status':* There were questions about the eligibility criteria for funding. Some suggested a means test would be fair, others saw it as heavy-handed. It was suggested that the small units prescriptions in Rural Priorities, or the criteria formerly used in CCAGS

(alongside a means test), could be used. Another suggestion was for eligibility to be based on size of unit and whether the unit is the individual's primary source of income.

- *The level of support that would be provided under the proposed CSS.*

Innovation Challenge Fund (Q13)

6.58 The consultation document set out the Scottish Government's proposals to build on the success of the current Skills Development Scheme (SDS). One suggestion was that the SDS might be replaced by a broader based Innovation Challenge Fund which would offer finance for projects looking to implement a new way of working. Respondents were asked the following question:

> **Question 13:** Do you agree or disagree with the proposed replacement of the Skills Development Scheme with an Innovation Challenge Fund? Please explain your views.

6.59 In total, 80 respondents (13 individuals and 67 organisations) answered Question 13. Of these, 74% agreed with the proposal to replace the SDS with an Innovation Challenge Fund and 14% disagreed. See Table 6.8.

Table 6.8: Summary of responses by respondent type (Q13)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	7	52	59	74%
Disagree	4	7	11	14%
Other	2	8	10	13%
Total	**13**	**67**	**80**	**100%**

Percentages do not total 100% because of rounding.

6.60 In general, respondents' comments to this question suggested that they were in favour of building upon the existing SDS and making it more holistic by broadening the range of opportunities available. Many specific suggestions were made for the additional areas to be covered, environmental and agro-ecological innovation were particularly highlighted.

Views in support of the Innovation Challenge Fund

6.61 Those who agreed with the proposal thought the Innovation Challenge Fund would:

- Focus on training and skills development
- Aim at a wider constituency than was currently the case and provide a broader range of opportunities
- Build on the Monitor Farm programme which had been a useful approach and could be adopted more widely.

Caveats and disagreement with the Innovation Challenge Fund

6.62 Caveats and disagreements with the Innovation Challenge Fund were that:

- *The Innovation Challenge Fund should be fully integrated with other sectors and schemes:* Respondents specifically wished to be assured

about integration with other initiatives in the further and higher education sectors. Moreover, respondents highlighted the fact that LEADER has a specific focus on innovation and wanted reassurance that the new fund would not duplicate this or any funding available through the Competitiveness, Innovation and Jobs themed Fund.

- *An appropriate budget would have to be available:* Respondents emphasised that the budget would have to be large enough to cover both the existing SDS options as well as the extension into other areas.
- *The Innovation Challenge Fund should be widely accessible:* Specific mention was made about the accessibility of the scheme to third sector organisations, small businesses on the edge of urban areas and crofters.

Other issues

6.63   There was a call for more detail about the proposal. The description of the Innovation Challenge Fund was thought to be rather sparse. Specifically, respondents wanted clarity on the application process, the eligibility criteria and the assessment mechanisms.

6.64   Respondents commented that there was a wider context that was relevant to this question. There was a recognition that the Mid Term Evaluation had reported poor uptake of the SDS. Respondents were also aware that a recent Audit Scotland report had identified issues with LEADER and the availability of training opportunities. These reports would need to inform any development of the Innovation Challenge Fund.

6.65   Finally, respondents thought that Challenge Funds, by their nature, create uncertainty and this should be acknowledged and appropriately managed.

New entrants to farming and young farmers (Q14)

6.66   The Government established a New Entrants Panel in 2012 to explore what can be done to remove barriers to entry and / or incentivise new entrant young farmers. This Panel made a number of suggestions, outlined in the consultation document, for possible interventions. Respondents were asked:

> **Question 14:** Do you agree or disagree with the measures proposed by the New Entrants Panel to encourage new entrants to farming? Please explain your views.

6.67   In total, 68 respondents (12 individuals and 56 organisations) answered Question 14. Of these, 76% agreed with the measures proposed by the New Entrants Panel and 10% disagreed. See Table 6.9.

Table 6.9: Summary of responses by respondent type (Q14)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	6	46	52	76%
Disagree	3	4	7	10%
Other	3	6	9	13%
Total	**12**	**56**	**68**	**100%**

Percentages do not total 100% because of rounding.

6.68　In general, respondents' comments to this question suggested that they were broadly supportive of the measures proposed by the New Entrants Panel. This support was equally strong among those with a primary interest (both individuals and organisations) in farming and crofting, and others.

Views in support of measures proposed by the New Entrants Panel

6.69　Those who agreed thought that the proposed measures would help to remove the substantial barriers to entry and incentivise new entrant young farmers to the industry. Respondents stressed the importance of incentivising the younger generation to take over from the older generation and to modernise farming methods to ensure a more sustainable approach.

Caveats and disagreement with measures proposed by the New Entrants Panel

6.70　Caveats and disagreements with the measures proposed were that:

- *Support should be tailored separately for intergenerational transfer versus new entrants:* It was suggested that these two groups had quite different needs and would require individually tailored schemes. In particular, it was suggested that new entrants would require higher levels of support.
- *It is not appropriate to use public funds to support the intergenerational exchange of a farm holding within families:* It was suggested that some means testing of new entrants might be appropriate. In any case the assessment and monitoring of these grants should be rigorous.
- *The New Entrants scheme should be extended:* It was suggested that the scheme should cover those involved in forestry and should also consider the case for retrospective support.

Other issues

6.71　Respondents did not see the age limit for a young farmer (required to be under 40) as appropriate. Whilst some respondents specifically acknowledged that this threshold had been set by the EU, many thought it was misplaced and should be challenged. Specific mention was made of this issue within crofting, where new entrants were likely to be older. Moreover, respondents thought it was more important to focus on criteria associated with the new-ness of the entrant rather than on their age.

6.72　Respondents repeatedly stated that the strongest disincentive to new entrants was the "historic basis for Direct Payments" (which is not part of the SRDP). Many respondents thought that there was no "level playing field" from which to move forward.

6.73　Finally, there was a call for more information about the definition of a 'new entrant'. It was suggested that this label should attach for a number of years.

7 APPLICATION AND ASSESSMENT PROCESS FOR AGRICULTURE, ENVIRONMENT, LANDSCAPE AND FORESTRY

7.1 This chapter presents an analysis of respondents' views regarding Section 8 of the consultation document. This set out the Scottish Government's proposals for new assessment processes for agricultural, environmental, landscape and forestry investments. The proposals concerned three schemes – LFASS (to become the new ANC scheme), CCAGS (or the replacement crofting scheme) and Rural Priorities. Views were sought on four proposals: (i) a case officer approach to assessment of applications; (ii) a single entry route for applications with a two level assessment process; (iii) variable rather than fixed intervention rates; and (iv) the setting of regional budgets across Rural Development Regulation articles.

7.2 Section 8 also sought views on the support and assistance applicants would need in pursuing applications. These views are discussed in Chapter 10 together with other findings related to advice services for SRDP 2014–2020.

Case officer approach to assessment (Q15)

7.3 The consultation document set out proposals to develop a case officer assessment network, supported by a 'gatekeeper' who would judge whether an application requires assessment by the network. It was suggested that this would ensure that applications are assessed with appropriate knowledge and expertise. Respondents were asked:

> **Question 15:** Do you agree or disagree with the proposed case officer approach to the assessment of applications? Please explain your views.

7.4 In total, 97 respondents (14 individuals and 83 organisations) answered Question 15. Of these, 65% agreed with the proposal to adopt a case officer approach to assessment and 14% disagreed. See Table 7.1.

Table 7.1: Summary of responses by respondent type (Q15)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	6	57	63	65%
Disagree	3	11	14	14%
Other	5	15	20	21%
Total	**14**	**83**	**97**	**100%**

7.5 The figures in the table above should be treated with caution. In the consultation document, this question sat within a section that described the application and assessment process for agriculture, environment, landscape and forestry investments. However, respondents did not necessarily limit their answers to these sectors, offering comments instead on SRDP processes more generally.

7.6 In general, respondents' comments to this question suggested that they were supportive of the principle of the proposed case officer approach to the

assessment process. However, substantial concerns were raised with how this proposal would be implemented in practice.

Views in support of the case officer approach to assessment

7.7 Those who agreed with the proposal thought that the case officer approach to assessment would, as set out in the consultation document:

- Provide a simplified and streamlined approach
- Increase the efficiency of the application process
- Allow a personalised service, with a single case officer allocated to each application.

Caveats and disagreement with the case officer approach to assessment

7.8 Caveats and disagreements with the case officer approach referred to the following issues:

- *The skills and expertise required by 'gatekeepers' and case officers:* This aspect attracted comment from many respondents. Respondents were not convinced that the current complement of case officers had sufficient skills and expertise to provide high quality, consistent advice. Moreover, the skills and expertise required of 'gatekeepers' had not been fully defined. There was concern about how this would be addressed and how it would be funded.

- *The importance of an open and transparent assessment process:* Respondents highlighted the importance of transparency and specifically wished to emphasise: the value of site visits and having an early indication of the likelihood of success; constructive feedback on all applications; a clearly defined appeals process; and a scoring system which commanded support.

- *The need for improved collaboration between agencies and organisations:* Respondents wanted to know that there would be a holistic assessment process and a shared understanding across agencies and organisations of what constitutes a 'good' application. Respondents suggested that much could be learned from the LEADER programme.

Other issues

7.9 Some respondents believed that this seemed like an overly bureaucratic approach, especially for small projects. The forestry sector did not think the 'gatekeeper' approach was appropriate within forestry.

7.10 It was suggested that responsibility for all applications within its geographic area could be given, on a pilot basis, to the National Park Authority.

7.11 There was a widespread view that there was not enough information to allow more than 'in principle' support to be given. Respondents required more detail about how the system would operate including: what criteria would be used to decide whether the case officer network was utilised; how local accountability would be arranged; how potential conflicts of interests for case officers would

be handled; how single objective applications from the agricultural sector would be handled; and the level of flexibility which would be available.

Single entry route with two level assessment (Q16)

7.12 The consultation document set out the Scottish Government's proposals to develop a single entry route, with two levels of assessment depending on the cost / complexity of proposals. This was intended to achieve a competitive approach across all SRDP grants and provide maximum value for money. Respondents were asked:

> **Question 16:** Do you agree or disagree the proposed single entry route for applications with a two level assessment process? Please explain your views.

7.13 In total, 87 respondents (13 individuals and 74 organisations) answered Question 16. Of these, 84% agreed with the proposal and 8% disagreed. See Table 7.2.

Table 7.2: Summary of responses by respondent type (Q16)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	11	65	76	84%
Disagree	2	2	4	8%
Other	–	7	7	8%
Total	**13**	**74**	**87**	**100%**

Views in support of the single entry with two level assessment process

7.14 Those who agreed with the proposal thought that the single entry with two level assessment process would, as set out in the consultation document:

- Be better and simpler for the applicants
- Increase the efficiency of the application process and reduce the costs
- Provide better value for money through the use of competitive grant funding mechanisms.

Caveats and disagreement with the two level assessment process

7.15 Caveats and disagreements with two level assessment process were that:

- *Clarity is required about where the threshold between Level 1 and Level 2 applications is set:* This was the main specific issue raised by respondents. Some suggested a figure of around £10,000 would be appropriate, whilst one suggested £25,000. Respondents from the forestry sector wanted 'delegated authority' to continue and for the threshold to be raised above its current level of £750,000. Some respondents thought that the threshold should not be determined financially, but by the level of complexity or contentiousness.
- *The assessment process should be open and transparent:* Respondents highlighted the importance of transparency and specifically wished to emphasise: the importance of a properly resourced assessment process

with fully qualified and competent assessment officers; high quality guidance with clear indications of the timetable for assessment; rules for defining conflicts of interest and how these would be managed; the undertaking of site visits to establish the merit of an application at an early stage and the potential for collaboration; and a broad-based panel offering a range of expertise for Level 2 applications.

- *Bureaucracy should be minimised*: Respondents wished to be reassured that the amount of bureaucracy associated with Level 1 applications would not be disproportionate. They favoured a 'light touch' for Level 1 applications in relation to reporting requirements.

Other issues

7.16 It was suggested that Level 2 assessments should be made on a regional basis (by the replacement for RPACs), not on a national basis. There was comment about the merit of ring-fencing of funds for Level 2 budgets and the requirement for regional budgets to make this approach work.

7.17 Some respondents from the forestry sector thought that this kind of approach had not worked for forestry in the current SRDP programme. One respondent provided a rationale for a 3 level (rather than 2 level) assessment process.

Variable intervention rates (Q17)

7.18 The consultation document set out the Scottish Government's proposals for intervention rates (i.e. the percentage of a project's cost to be funded from SRDP) to be negotiated (by the case officer) rather than set at a fixed amount. Respondents were asked:

> **Question 17:** Do you agree or disagree with the proposed negotiation of variable intervention rates rather than setting fixed intervention rates? Please explain your views.

7.19 In total, 85 respondents (12 individuals and 73 organisations) answered Question 17. Of these, 74% agreed with the proposal for the negotiation of variable intervention rates and 18% disagreed. See Table 7.3.

Table 7.3: Summary of responses by respondent type (Q17)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	9	54	63	74%
Disagree	3	12	15	18%
Other	–	7	7	8%
Total	**12**	**73**	**85**	**100%**

7.20 Although the consultation document explained that variable intervention rates were relevant in the context of commercial investments only, respondents to the question did not necessarily take this as read. There is, therefore, a lack of clarity in relation to the context in which responses were offered, with many emphasising that it was not appropriate to assess projects for public benefit in this way.

Views in support of variable intervention rates

7.21 Those who agreed with the proposal thought that variable intervention rates would:

- Improve cost effectiveness
- Allow limited resources to go further
- Align this element of SRDP funding with other EU, Common Strategic Framework (CSF) and SRDP funding mechanisms (including LEADER).

Caveats and disagreement with variable intervention rates

7.22 Caveats and disagreements with variable intervention rates were that:

- *It could increase the complexity of decision-making:* It was suggested that this change could introduce uncertainty, increase bureaucracy, slow down decision-making and generate many complaints and appeals. One of the strengths of the current arrangement was seen to be its relative simplicity. This change would have to be accompanied by very clear guidance to make the process of decision-making and review transparent.
- *Case officers would require training for this task:* The point was made that case officers do not necessarily have sufficient expertise for this and consistent decision-making would require an investment in training and development. A system of reviewing decisions would also be needed.
- *The negotiation should be done by a central team:* There was a view that, rather than have this negotiation done locally by case officers, a central team should undertake the negotiation of intervention rates.
- *Other models and implementation approaches should be considered:* A range of other models and implementation approaches were suggested including: applying variable intervention rates for larger grants only; fixing a maximum rate; allowing applicants to suggest an appropriate rate which could be reviewed by case officers; combining a minimum (standard) intervention rate with the potential for uplift in certain defined circumstances.

Other issues

7.23 A forestry organisation stated that this approach would not be acceptable within forestry. This organisation said that the Scottish Government could be enabled to change intervention rates in specific cases without requiring a full blown revision of the scheme.

Regional budgets (Q18)

7.24 The consultation document set out the Scottish Government's proposal to allocate budgets across articles, and to give an indication of the resources (based on evidence) available to each of the Rural Priority regions. This arrangement was intended to address problems identified in the previous SRDP related to the lack of effective budget allocations, profiling and management arrangements. The new arrangement would be linked to regular central budgetary oversight to ensure allocations were being spent as forecast. The following question was asked:

Question 18: Do you agree or disagree with the proposed setting of regional budgets across Rural Development Regulation (RDR) articles? Please explain your views.

7.25 Altogether, 91 respondents answered this question (14 individuals and 77 organisations). Of these, 66% agreed with the proposal and 22% disagreed. See Table 7.4.

Table 7.4: Summary of responses by respondent type (Q18)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	9	51	60	66%
Disagree	3	17	20	22%
Other	2	9	11	12%
Total	**14**	**77**	**91**	**100%**

Views in support of regional budgets

7.26 Those who supported the proposal to set regional budgets thought it would:

- Make better use of local knowledge
- Encourage priority-setting and a more focused, targeted delivery strategy
- Result in better local outcomes
- Enable better monitoring of spend and thus a better return on investment
- Give applicants a clearer idea of what resources were available and the likelihood of success when applying.

7.27 Respondents agreed that a weakness of the current SRDP had been a lack of effective budgetary control and management arrangements and so welcomed the Government's efforts to address these issues.

Caveats and disagreement with regional budgets

7.28 Many of those who agreed with this proposal said they did so *in principle only*. Respondents often set strong conditions upon their agreement, including that:

- *The mechanism for allocating regional budgets must be transparent and fair:* Regional budgets must be allocated on the basis of evidence of need, and should be linked to regional objectives and targets.
- *There would need to be a good monitoring system (regionally and centrally) and a mechanism for re-allocating underspend from one region to another:* Respondents repeatedly emphasised the need for flexibility. It was also suggested that budgets could be set annually so that funding would not run out in the final years of the programme.
- *Adequate management resources must be available with local responsibility for allocating budgets*: There was a concern that if RPACs were to be disbanded and replaced by a centralised assessment process, there would be no local mechanism for prioritising applications.
- *The recommendations of the Mid Term Evaluation in relation to the current Rural Priorities scheme should be addressed*.

7.29 Those who disagreed with the proposal argued that:

- *It would lead to increased administrative complexity*: Respondents believed strongly that the Scottish Government should avoid this
- *It would result in a lack of flexibility*: Respondents were concerned that regional budgets could prevent funding going where it *should* go
- *Regional allocations must be based on evidence of need:* Some respondents were not confident this would happen. Others thought substantial resources would be needed to make it happen, thus diverting resources away from the schemes themselves.

7.30 Irrespective of whether they agreed or disagreed with the proposal, respondents expressed concerns that:

- *Regional budgeting was inappropriate for certain types of projects*: For example food and drink, water quality, forestry and bio-diversity projects relating to protected species
- *Regional budgets could result in inconsistency in decision-making:* For example larger projects of poorer quality may be funded because a particular region has the budget available, whereas better quality projects in a different region may be refused if the budget has all been allocated.

Other issues

7.31 Other points made by respondents included the following:

- SRDP and Structural Fund budgets should be aligned
- Regional budgets should be indicative only, with overall central control
- A seven-year (farming-oriented) grant programme was thought to be inappropriate for forestry. Consistent, longer-term support was needed for the forestry sector.
- Budget allocations under each article should be determined locally
- Some budget should be set aside for national initiatives which could be delivered across all regions.

7.32 There was a strong view that, without further information, it was not possible to say whether regional budgets would be workable. Respondents wanted details about:

- The proposed number of regions
- How regional allocations would be determined and what level of funding would be available to each region
- How to identify, and the role(s) of, appropriate regional 'experts'
- How regional budgets would be administered and monitored
- How underspends would be reallocated.

8   INTEGRATED INVESTMENTS

8.1   This chapter provides an analysis of responses regarding Section 9 of the consultation document on integrated assessments. The specific questions posed in this section related to the production of a descriptive map of holdings and the possibility of allowing applicants to submit single setting out all investments / projects on their land that they would like to take forward.

Descriptive map of holdings (Q20)

8.2   The consultation document set out the Scottish Government's proposals to complement a national approach to targeting with targeting at the level of a holding, supported by the development of a descriptive map of holdings. The map was intended to give SRDP applicants, advisors and assessment officers information about significant sites that could benefit from action or protection on each particular holding. Respondents were asked the following question:

> **Question 20:** Do you agree or disagree with the value of developing a descriptive map of holdings to help farmers and stakeholders understand the potential ecosystem value of specific holdings? Please explain your views.

8.3   In total, 89 respondents (16 individuals and 73 organisations) answered Question 20. Of these, 84% agreed with the proposal to develop a descriptive map of holdings and 9% disagreed. See Table 8.1.

Table 8.1: Summary of responses by respondent type (Q20)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	11	64	75	84%
Disagree	4	4	8	9%
Other	1	5	6	7%
Total	**16**	**73**	**89**	**100%**

8.4   In general, respondents' comments to this question suggested that they were supportive of the idea of developing a descriptive map of holdings.

Views in support of developing a descriptive map of holdings

8.5   Those who agreed with the proposal thought that the development of a descriptive map of holdings would:

- Be useful for farmers, advisors, and other delivery partners
- Support a targeted approach to the allocation of funds, especially in relation to addressing environmental issues
- Contribute to the delivery of the Land Use Strategy
- Improve assessment and monitoring processes.

Caveats and disagreement to developing a descriptive map of holdings

8.6　Caveats and disagreements with developing a descriptive map of holdings were that:

- *A "top down" approach is not a panacea:* Respondents emphasised that there is no substitute for a "bottom up" understanding of what exists at the farm scale. It was important not to be overly optimistic about what this type of approach could achieve.

- *It might divert resources away from the primary purpose of SRDP:* The point was made repeatedly that this was a significant undertaking, and would require substantial resource to implement. Many did not support SRDP resources being used for this purpose.

- *The underpinning data are not of uniformly high quality:* Respondents emphasised that the basic information required was often sparse, of poor quality or unavailable. Filling these gaps would require substantial resources. To be useful, the map would have to be comprehensive and accurate.

- *The asset would have to be accessible to all potential users:* Respondents wanted to be reassured that any resource which was developed would be provided to all applicants in a form which was suitable for them.

- *It could increase complexity and delay decision-making:* It was suggested that the implementation of a similar approach within forestry had been problematic and had delayed decision-making.

Other issues

8.7　There was a suggestion that this type of approach might only be appropriate within the context of larger land holdings and / or collaborative bids and applications. One respondent suggested that the approach could be piloted by the National Parks Authority.

Single applications for integrated investments (Q21)

8.8　The consultation documented acknowledged the frustration voiced by applicants in relation to the previous SRDP about the need to apply on multiple occasions to different schemes to secure funding for different priorities. For SRDP 2014–2020, the Scottish Government has proposed to enable single integrated applications allowing applicants to set out all land-based investments / projects they would like to take forward. The consultation document asked the following question about this proposal:

> **Question 21:** Do you agree or disagree with the proposal to allow applicants to submit single applications which set out all investments / projects that the applicant would like to take forward on their land? Please explain your views.

8.9　In total, 91 respondents (14 individuals and 77 organisations) replied to Question 21. Of these, 89% agreed with the proposal and 4% disagreed. See Table 8.2.

Table 8.2: Summary of responses by respondent type (Q21)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	10	71	81	89%
Disagree	3	1	4	4%
Other	1	5	6	7%
Total	**14**	**77**	**91**	**100%**

Views in support of single applications for integrated investments

8.10 Those who agreed with the proposal to allow single applications for all the investments / projects an applicant wanted to take forward felt that this would:

- Simplify matters and be more efficient
- Promote strategic, holistic and coherent planning of projects
- Result in better integration of the various SRDP funding streams.

Caveats and disagreement with single applications for integrated investments

8.11 While respondents generally supported the principle of single applications for integrated investments, they also frequently raised concerns about the proposal, including that:

- *Integrated applications may not be appropriate for all applicants or circumstances:* Such a process may appeal to some applicants but may not be appropriate for others, e.g. small businesses or those in the forestry sector. It was also suggested that such an approach might work well if the business aspects of the farm were closely related to the environmental aspects, but not in situations where these aspects might be quite distinct (e.g. in relation to intensive arable holdings).
- *The cost and complexity of developing an integrated application may be prohibitive for some applicants:* It was suggested that, to avoid inequalities, support and guidance would need to be made available to applicants.
- *There would be a need for flexibility:* Some respondents saw the benefit of creating an overall, long-term plan but argued that many applicants, having created such a plan, may still prefer to apply for projects individually according to their own timescales and circumstances. The point was also made that applicants need to be able to respond to changing economic circumstances and market forces which they could not necessarily foresee at the point when they put together a single application.

8.12 Given these concerns, there was a general view among respondents that the single integrated application procedure should be *allowed*, but should not be *required*. Moreover, integrated applications should not be given *preference* over single project applications that address agreed priorities.

8.13 Respondents also highlighted potential difficulties regarding the handling and assessment procedures for integrated applications in terms of:

- *Administrative complexity:* It was thought that multiple case officers would complicate the assessment process, resulting in delays.
- *Time and expertise required:* There was a view that it could be difficult for the 'gatekeeper' to decide which agencies should be involved in assessing an application. There was also a concern about whether the necessary expertise would be available within agencies to assess the business elements of an application. The importance of case officer training was raised. Finally, there was a view that there could be difficulties in judging which large applications would be likely to deliver the greatest public good.
- *Dealing with the individual elements of a multi-project application:* There were concerns that funding may be wasted on non-priority activities simply because they were part of an integrated application. There was a strong feeling that there needed to be the option to remove non-priority or inappropriate activities without failing the entire application.

Other issues
- Local authorities have comprehensive GIS systems which could potentially be put to use in supporting such applications.
- One respondent noted that the current system of multiple applications for different projects had evolved from a single application approach in the past. This had been abandoned because it was perceived not to work. The individual cautioned against making the same mistakes again.

9   COLLABORATION

9.1   This chapter provides an analysis of responses regarding Section 10 of the consultation document which pointed out that many of the environmental challenges that Scotland faces require co-ordinated action across more than one holding. There were limited options within SRDP 2007–2013 to take a co-ordinated approach at a landscape scale. The Scottish Government proposed to make changes within SRDP 2014–2020 to address this. The following three questions sought views on these proposals:

> **Question 22:** Do you agree or disagree that it would be helpful to allow third party applications for specific landscape scale projects? Please explain your views.
>
> **Question 23:** Do you agree or disagree with public agencies working together to identify priority areas that could benefit from a co-ordinated third party application? Please explain your views.
>
> **Question 24:** Do you agree or disagree with the establishment of a separate fund to support collective action at the landscape scale? Please explain your views.

Third party applications for landscape scale projects (Q22)

9.2   In total, 101 respondents (17 individuals and 84 organisations) answered Question 22. Of these, 90% agreed and 5% disagreed with the proposal to allow third party applications for landscape scale projects. See Table 9.1.

Table 9.1: Summary of responses by respondent type (Q22)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	12	79	91	90%
Disagree	4	1	5	5%
Other	1	4	5	5%
Total	**17**	**84**	**101**	**100%**

Views in support of third party applications for landscape projects

9.3   Those who agreed with the proposal felt it would:

- Encourage collaboration among neighbouring land managers and lead to a more integrated approach across multiple holdings
- Promote innovation and achieve economies of scale
- Lead to better outcomes and result in a more effective SRDP.

9.4   Respondents noted that it could often be easier for a third party to apply for funding for landscape scale projects with the support of the individual land owners, since land owners can be reluctant to take on the responsibility and liability for such projects themselves.

9.5   Such arrangements were seen to be especially useful where the public benefit of the project was high but the benefit to the land owner was low. Examples included: ancient woodland and peatland restoration; management of deer and invasive non-native species; and flood prevention and footpath

development. These might require action across the boundaries of individual holdings.

Caveats and disagreement with third party applications

9.6 Respondents identified several significant issues which would need to be considered in taking forward the proposal to allow third party applications:

- Funding would need to be provided to enable facilitation and co-ordination
- Local communities should be given the opportunity to participate in decision-making where they are affected by landscape scale projects
- The process needs to be simple. It was suggested that it should not be necessary to *create* a third party organisation simply for the purposes of applying for funding for landscape scale projects.
- Funding should be restricted to organisations committed to the public good and principles of social inclusion rather than those with private interests
- Formal agreements would need to be drawn up to specify the 'ownership' of actions undertaken on individual lands, and for the allocation of funds to ensure that the works are carried out according to plan
- An incentive may need to be offered to landowners to encourage their participation in collaborative projects.
- There should be greater flexibility in relation to outcomes for such projects otherwise few applicants would be willing to take on the risk.

9.7 While some respondents agreed in principle with the proposal, they urged caution in taking it forward because of the issues of responsibility and liability / risk for the applicant and the issues of ownership and control for the landowner. It was suggested that, if third party applications were permitted, legally-binding agreements will be needed between the applicant, the landowners and the Scottish Government which protected the rights of all parties.

9.8 Those who disagreed with the proposal raised concerns about:

- The possible complications involved in such applications, including the potential loss of control for farmers / land managers over their own land
- The potential for large costs associated with challenging landscape scale projects which seemed at odds with the limited amount of money available.

Other issues

9.9 There was a view that third party applications could only be successful if there was active involvement from the land managers affected by the project. Without this, the long-term sustainability of the investment would be in jeopardy.

9.10 Local authority and Local LEADER Action Group respondents noted that there had been some success in funding cross-boundary projects via LEADER. They suggested this could be adopted as a model if it were adequately resourced. However, the point was also made that past attempts to work across LEADER boundaries had been complicated and plagued by unnecessary bureaucracy.

Public bodies working together to identify priority areas for collaboration (Q23)

9.11 In total, 99 respondents (15 individuals and 84 organisations) answered Question 23. Of these, 93% agreed with the proposal for public agencies to work together to identify priorities for collaboration and 6% disagreed. See Table 9.2.

Table 9.2: Summary of responses by respondent type (Q23)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	10	82	92	93%
Disagree	4	2	6	6%
Other	1	–	1	1%
Total	**15**	**84**	**99**	**100%**

Views in support of public agencies working together to identify priorities

9.12 In general, those who agreed that public agencies should work together to identify priority areas for third party applications thought that:

- The proposal was "sensible", given the strategic, high-level perspective that these agencies could provide and their ability to access to up-to-date data
- It would ensure that SRDP delivers public benefits and not just the financial security of individual land owners.

9.13 Some respondents said that public bodies were *already* working together to identify area priorities, thus there was nothing new about this proposal.

Caveats and disagreement with the proposal for public agencies to work together to identify priorities

9.14 Respondents often agreed in principle with this proposal, but also expressed strong caveats:

- *Stakeholders must be involved in the identification of priorities:* The identification of priorities for collaboration should not be undertaken by public bodies working in isolation, other stakeholders should also be involved. These would include: land managers and their advisors, local communities, community planning partnerships, third sector bodies and private agencies. It was suggested that the identification of rural priorities should adopt a community planning approach.
- *Landscape scale projects identified by local people should not be excluded:* Respondents thought the priorities of public bodies should not be seen as more valuable than those identified by local groups / communities.
- *Stakeholder support was crucial for success:* The point was made that land managers and communities can be suspicious of public bodies creating new priority designations which lead to restrictions on land use or additional costs to land owners. The key to success would depend on public bodies fostering good communication / engagement with stakeholders.

9.15 Some respondents also expressed specific reservations about the role of public agencies:

- *Conflicts of interest:* There was a view that public bodies have difficulty working in partnership since they are often competing for funding. In addition, there was a perception that public agencies tend not to prioritise certain types of projects, e.g. footpath or cycleway development, since improved access may be seen to be in conflict with biodiversity objectives.
- *Lack of resources:* There were questions about whether public agencies had the necessary resources to implement such a proposal.

9.16   Respondents who disagreed with the proposal also thought that:

- Public agencies are too influenced by politics
- It is preferable for initiatives to come from those who own / work the land
- Projects led by the public sector may cost more to implement than if led by the private sector. Therefore, this proposal would not be an appropriate use of SRDP funds.

Establishing a fund to support collective action at the landscape scale (Q24)

9.17   In total, 96 respondents (14 individuals and 82 organisations) answered Question 24. Of these, 68% agreed with establishing a separate fund to support collective action at the landscape scale and 20% disagreed. See Table 9.3.

Table 9.3: Summary of responses by respondent type (Q24)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	9	56	65	68%
Disagree	4	15	19	20%
Other	1	11	12	13%
Total	**14**	**82**	**96**	**100%**

Percentages do not total 100% because of rounding.

Views in support of establishing a fund to support collective action

9.18   Respondents who agreed often reiterated the benefits of landscape scale collaboration and thought that the creation of a separate fund would help to encourage and facilitate such projects. Respondents expressed a range of views about the purpose of the fund, if it were established, including that it should be used to:

- Raise awareness among land managers and farmers about opportunities for participating in collaborative projects in their area
- Pay for project development costs (e.g. facilitators, ecological surveys, environmental impact assessments, etc.)
- Cover the full cost of collaborative projects.

Caveats and disagreement with the establishment of a fund to support collective action

9.19 Caveats and disagreement with the proposal focused on:

- *The lack of justification for such a fund:* Those who disagreed with the proposal, and those who were uncertain, commonly said it was premature to create a new fund given the lack of information about the likely uptake of funding for such large-scale projects. There was a perception that a case had not been made in the consultation document for a separate fund. Some expressed doubt that such a fund was needed, suggesting instead that collaborative approaches were likely to cut across different schemes and, therefore, different budget allocations. There were suggestions that a pilot period might be appropriate before deciding to divert money away from core rural development priorities.

- *Costs*: Respondents thought the costs of such projects would be substantial and likely to be underestimated. Again, there was concern about the possible impact on the availability of funding for other priorities.

- *Fairness in decision-making:* There was a concern that decisions on funding collaborative projects could be affected by "politics". Respondents emphasised that public funding should be for the delivery of desired outcomes, rather than giving preference to projects simply because they involved collaboration. Concerns about the impact on small applicants compared to large consortia were voiced. Respondents wanted mechanisms put in place to ensure fairness in decision-making.

- *Recipients of the funding:* There were concerns that this proposal essentially represented a transfer of funds from SRDP to agencies which are already funded by Government to provide support for such activities.

- *Administrative issues:* There was a view that the creation of another fund would result in additional complication and duplication of administration and monitoring. Some questioned whether it could be effectively administered under the standard assessment process set out in the consultation document, suggesting instead that it should operate more like a challenge fund and be managed at a local level.

10 ADVICE AND SUPPORT

10.1 This chapter provides an analysis of responses regarding the Scottish Government's proposals to allocate part of the SRDP budget to advice provision, and also to broaden the advice which underpins the Whole Farm Review Scheme. It was proposed that the new SRDP programme provided an opportunity to introduce a new, fit for purpose, affordable advisory service. Respondents were asked the following questions:

> **Question 19:** What support and assistance do you think applicants will need for this application process to work effectively? Please explain your views.
>
> **Question 25:** Do you agree or disagree with broadening the Whole Farm Review Scheme to include biodiversity, environment, forestry, water pollution control and waste management? Please explain your views.
>
> **Question 26:** Do you agree or disagree that we allocate SRDP budget to advice provision when we move to the next programme? Please explain your views.

Support and assistance required by applicants (Q19)

10.2 In total, 97 respondents (14 individuals and 83 organisations) answered Question 19.

10.3 In the consultation document, this question sat within a section that discussed applications focusing on agricultural, environmental, landscape and forestry investments only. However, a wide range of organisations responded to this question and offered comments relating to SRDP application processes in general.

10.4 Respondents highlighted the importance of:

- *Clear guidance*: Respondents wished to have user friendly, well-written guidance; straightforward application forms; and a robust and transparent assessment process. Some suggested that workshops and / or training packages to accompany any new guidance would be helpful. Respondents wanted the guidance to be available as soon as the programme was launched and to be stable for the full duration of the programme.
- *High quality (free) advice*: From an early stage and throughout the process of an application, respondents wished to see high quality and consistent advice, available locally and free of charge. Face-to-face contact, including site visits and pre-approval assessment visits, was thought to be useful in ensuring time was not wasted on developing unsuccessful applications.

10.5 The key features of the advisory service, which many respondents wished to see, were described in detail in the RSPB response. In addition, there were a variety of comments which recommended learning from the perceived success of the LEADER model.

Broadening the Whole Farm Review Scheme (Q25)

10.6   In total, 90 respondents (16 individuals and 74 organisations) answered Question 25. Of these, 88% agreed with the proposal to broaden the Whole Farm Review Scheme (WFRS) and 10% disagreed. See Table 10.1.

Table 10.1: Summary of responses by respondent type (Q25)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	14	65	79	88%
Disagree	2	7	9	10%
Other	–	2	2	2%
Total	**16**	**74**	**90**	**100%**

Views in support of broadening the WFRS

10.7   Those who agreed with the proposal felt that broadening the WFRS would:

- Increase farm business performance
- Improve environmental outcomes
- Achieve wider economic and social benefits, including community impacts
- Reinforce other Scottish policy priorities and strategies, particularly those relating to land use and biodiversity.

10.8   It was suggested that a Whole Farm Review should be completed before an application for SRDP funding could be considered.

Caveats and disagreement with broadening the WFRS

10.9   Caveats and disagreements with broadening the WFRS were that:

- *The proposals for broadening the scheme did not go far enough:* It was suggested that aspects of climate change mitigation and historic environment conservation should also be included. It was also suggested that forestry schemes should be encouraged to adopt a WFRS approach to assessing wider environmental benefits.
- *Substantial resources would be required:* Respondents emphasised that substantial resources would be required to ensure provision of appropriate advice. Specifically, the time allowed to conduct a Whole Farm Review would have to be increased.
- *It would increase complexity and cost for applicants:* There was a view that broadening the WFRS would make the system too complex and expensive, and would result in too much money being spent on consultants.

Other issues

10.10 It was suggested that the success of the (broadened) WFRS would stand or fall on the quality of the advice service underpinning its delivery. Respondents' comments focused on the importance of a comprehensive and high quality advice service using appropriately accredited advisors, available to all, with access to an appropriate mix of generalist and specialist advice and integrated

with other extant advisory services. One respondent suggested that the contract for this service should be put out to tender.

10.11 Respondents wanted clarification on the relationship between the WFRS and any future LMO scheme.

The allocation of SRDP budget to advice provision (Q26)

10.12 In total, 103 respondents (18 individuals and 85 organisations) answered Question 26. Of these, 84% agreed with the proposal to allocate SRDP to advice provision and 9% disagreed. See Table 10.2.

Table 10.2: Summary of responses by respondent type (Q26)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	11	76	87	84%
Disagree	5	4	9	9%
Other	2	5	7	7%
Total	**18**	**85**	**103**	**100%**

Views in support of allocating SRDP budget to advice provision

10.13 Many respondents emphasised the importance of advice provision because:

- High quality advice is crucial in generating successful outcomes in the context of both small and large applications. It is integral to SRDP.
- High quality advice is as important as financial support.

Caveats and disagreement with allocating SRDP budget to advice provision

10.14 Caveats and disagreements with allocating SRDP budget to advice provision were that:

- *Any new provision should not replace advice services currently provided free of charge:* Respondents, particularly small businesses, wished to be reassured that any change would not result in services that were currently being provided free of charge being withdrawn. Some thought a distinction needed to be drawn between advice and consultancy with advice being provided for free and consultancy being paid for.
- *Current capacity needs to be increased:* There was a view that current advice provision is inadequate, both in terms of the range of skills available and the number of advisors. Some respondents thought this could be addressed through the reinstatement of the FWAG service which was thought to offer value for money.

Other issues

10.15 There was a widespread view that the SRDP could not achieve its outcomes without substantial resources being devoted to advice services. Some respondents believed that a budget for advice provision, which ran into tens of millions of pounds, was easy to justify given the scale of the SRDP programme. Others, however, focused on achieving value for money, making

best use of current provision and ensuring that lessons were learned from existing schemes.

10.16 Finally, many commented on the balance between centrally organised advice schemes and more locally based schemes. The latter were generally viewed more positively. Examples of advice service models which were thought to work well included the LEADER scheme, the Business Gateway scheme and the Welsh Glastir scheme. Any scheme should build on the lessons learned from existing schemes.

11 LOANS (Q27)

11.1 This chapter provides an analysis of responses regarding Section 12 of the consultation document which invited views on the option of SRDP funds being used to provide loan finance for businesses and communities. This was seen as a way of addressing the difficulties that small businesses and community groups experience in accessing loans which could, in turn, sometimes prevent sound projects going ahead. Respondents were asked the following question:

> **Question 27:** What are your views on the merits of providing loans for specific purposes and / or specific sectors? Please explain your views.

11.2 In total, 92 respondents (12 individuals and 80 organisations) answered Question 27.

11.3 Given that no specific proposal was elaborated in the consultation document, respondents' comments were highly diverse and based on a wide range of (often conflicting) assumptions about what the basic approach would involve. In particular respondents made different assumptions about the extent to which it was proposed to replace (some) grants with loans, or to allocate additional funds to SRDP to cover the introduction of a new funding stream.

11.4 Nevertheless, there was general agreement that loans could be useful in some circumstances.

Views in support of providing loans

11.5 Those who agreed with the proposal felt that the availability of loans would:

- Allow funds to go further by allowing SRDP monies to be recycled
- Have the potential to address the significant issue of cash flow for community organisations and small businesses
- Be especially valuable for small organisations (crofters, small holders, SMEs).

Caveats and disagreement with providing loans

11.6 Caveats and disagreements with providing loans were that:

- *Loans would require additional administration:* Loan applications would have to be accompanied by comprehensive business plans which would take time to develop. This was important to be confident that the loan could be repaid. Questions were also raised about how decisions would be made.
- *Other alternatives should be considered:* The point was made that the issue of cash flow might be better ameliorated through a "Cash Flow Fund" or advance payment from the grant with appropriate conditions attached. It was also suggested that a more efficient grant administration process, which minimises delays to payment, would improve the current situation.
- *Loans are not appropriate for projects aimed at public benefit:* Respondents thought loans should only apply for commercial projects aimed at generating a financial return.

- *Government should not provide loans where other options exist:* There was a view that this was a role for commercial organisations, not Government. Moreover, there are too many demands on SRDP funds and this is not a priority. There are alternative sources of funding available.

Other issues

11.7 Several respondents noted the importance of learning from experience. They referred to existing loan schemes which might provide useful learning in this area; The Highland LEADER scheme and West of Scotland Loan Fund were noted. Other respondents noted the importance of monitoring and evaluating any scheme introduced.

11.8 A substantial amount of detailed comment on existing and historical financial instruments was offered. One respondent highlighted the importance of developing new financial instruments for the next SRDP programme.

12 MODULATION (Q28)

12.1 This chapter provides an analysis of responses regarding Section 13 of the consultation document. Current EU arrangements allow for transferring money, up to a maximum of 15%, from the Direct Payments scheme to the SRDP. Scotland currently transfers 14% of its Direct Payments budget in this way. While it was noted that no decision could be made until the budget was known, views were sought on whether the current level of transfer (or modulation) should be maintained:

> **Question 28:** Do you agree or disagree with the proposal to maintain the current level of transfer from Direct Payments to SRDP in the new programme period? Please explain your views.

12.2 Altogether, 98 respondents answered this question (27 individuals and 71 organisations). Of these, 53% indicated agreement, and 39% indicated disagreement. See Table 12.1.

Table 12.1: Summary of responses by respondent type (Q28)

Type of respondent	Individuals	Organisations	Total respondents	%
Agree	6	46	52	53%
Disagree	20	18	38	39%
Other	1	7	8	8%
Total	**27**	**71**	**98**	**100%**

12.3 Respondents answered the question in a number of different ways. A significant minority of those indicating agreement (13 of the 52 respondents) called for the level of modulation to be at least maintained *if not increased*. Further, with just two exceptions, those disagreeing that the level should be maintained could be categorised into two groups: those calling for modulation to be reduced (4 respondents) and those, similar to many in the 'agree' category, calling for it to be increased (32 respondents). Thus, half of those indicating agreement or disagreement (45 out of 90; 50%) stated a clear preference for modulation to be increased, and a majority (84 out of 90; 93%) supported maintenance or an increase. Private individuals (i.e. those without a declared professional interest in the rural sector) were particularly likely to have responded to this question, indicating support for increased modulation.

Views in support of maintaining or increasing modulation

12.4 Those supporting maintenance or an increase offered very similar reasons and generally argued strongly that this mechanism:

- Was crucial in maximising the funds available for a wide range of rural projects, particularly environmental, biodiversity and social projects
- Had a significant impact on rural communities and the rural economy
- Delivered public benefit as well as value for money for the public purse
- Would be even more important given the likely reduction in overall budget.

Caveats and disagreement with maintaining the current level of modulation

12.5   The following caveats and points of disagreement were noted:

- *The importance of recognising the interests of the farming community:* It was seen as important that SRDP funds were accessible and fairly distributed in order to gain support from the farming sector for modulation, with ring-fencing for farming projects one option. It was also suggested that those in receipt of Direct Payments may be more reluctant to accept the current level of modulation if LMOs were removed from the next SRDP.
- *The impact of modulation on the farming community:* It was argued that Direct Payments were an important source of income for farmers and that any increase in modulation would impact negatively on farmers, food production and the associated rural economy. It was also suggested that farmers were best placed to deliver environmental benefits in rural areas.

Other points

12.6   A number of general points were raised by respondents:

- There were calls for the government to seek an increase in EU Pillar 2 funding in order to maximise the funds available for a wide range of rural projects, particularly environmental, biodiversity and social projects.
- Drawing on other EU funds (ERDF[12] and ESF[13]) and other tax revenues to contribute to SRDP funds was suggested.
- A small number of respondents specifically stated their opposition to modulation from Pillar 2 to Pillar 1.
- There were a number of comments critical of the current tiered percentage arrangements for modulation which were seen to impact unfairly on small-scale Direct Payment recipients. It was also suggested that the arrangement should take account of disadvantaged areas.
- The figures presented in the consultation paper on amounts modulated under the current scheme were queried by some respondents.

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[12] European Regional Development Fund
[13] European Social Fund

13 EQUALITIES IMPACT ASSESSMENT (Q29)

13.1 This chapter provides an analysis of responses regarding Section 14 of the consultation document. Public sector organisations are required to assess the impact of proposed policy changes on equalities groups (age, disability, gender, religion and belief, and sexual orientation). The consultation invited respondents to submit views which would help inform an equalities impact assessment (EQIA) for the new SRDP:

> **Question 29:** Please tell us about any potential impacts, either positive or negative, you feel the proposals in this consultation document may have on any of the equalities characteristics listed in paragraph.

13.2 In total, 58 respondents (6 individuals and 52 organisations) provided comment in relation to this question.

13.3 A few respondents indicated that they saw no potential equalities impact, often providing a simple "none" or "no impacts noted" in answer to the question.

13.4 Some respondents commented generally on the potential role for the SRDP in tackling inequalities and social exclusion. While some were positive about this, others expressed concern that disadvantaged groups would do less well out of the proposals. They argued that there was a need for a greater focus on equalities groups (young people, women, ethnic minorities, those with disabilities) in order to address the "older white male" bias in the rural economy, and rural Scotland's demographic and socio-economic profile more generally. The under-representation of particular equalities groups (in terms of visits to the countryside) and the need to monitor the impact of SRDP-funded initiatives on this was also noted. There were calls for:

- Wide consultation with a full range of communities
- More attention to be given to equalities issues in the consultation, as well as in subsequent processes (e.g. it was specifically noted that EQIA should form a part of the LEADER application process)
- Continued monitoring of the impact on equalities groups.

13.5 More specific comments fell into the following themes, not all of which were directly related to the equalities groups identified in the consultation document.

- *Age:* Respondents commented on the proposals for new entrants and stressed the need to encourage people into farming regardless of age.
- *Gender:* Respondents commented that the programme, in general, did little to tackle the lower levels of economic activity amongst women in rural areas. In addition, it was thought that women might be particularly disadvantaged, firstly, by age-based rules in relation to new entrants because of the impact that family commitments had on women's economic activity at different ages, and secondly, by the limiting of vocational training to forestry and farming.
- *The Gaelic community:* The issue of the Gaelic-speaking community, and responding to their needs, was raised.

- *IT skills / access to IT:* It was pointed out that any largely web-based system (e.g. in relation to provision of information and guidance, on-line application processes, etc.) potentially disadvantaged those without the necessary IT skills or easy access to appropriate hardware and software.

- *Programme accessibility:* There was a general point made about the need for simple, inclusive processes and appropriate advice and support to ensure accessibility for all, along with a particular concern about the limited access to advice and support for those in more rural and remote areas. Others thought steps needed to be taken to ensure the programme was accessible to small businesses and community groups, with some highlighting barriers presented by cash flow issues, and a perceived need for capacity building and training. Several respondents mentioned the issue of accessibility for those with impaired vision, dyslexia or English as a second language, who may find it difficult to access on-line services in particular.

- *Urban / rural issues:* A general point was made about the perceived inequalities between urban and rural areas, and a concern that budget pressures on SRDP would exacerbate this. More specifically, a point was made about the importance of supporting rural Scotland for the benefit of all the citizens of Scotland.

- *Geography:* In relation to crofting in particular, it was argued that the rules of the scheme (i.e. restricting assistance to those in designated crofting areas) represented geographic discrimination.

ANNEX 1: LIST OF ORGANISATIONAL RESPONDENTS

Academic

- The James Hutton Institute
- Scotland's Rural College (SRUC)

Community organisations / charities and local partnerships

- Caldwell Halls Trust
- Community Transport Association
- Community Woodland Association
- Coupar Angus Regeneration Trust
- Dumfries and Galloway Outdoor Access Forum
- Gorebridge Community Council
- Growbiz
- Plunkett Scotland
- Portpatrick Trust
- Scottish Community Alliance
- Southern Uplands Partnership
- Strathkinness Community Council
- Tweed Forum

Economic development

- Highland Opportunity Limited
- Highlands and Islands Enterprise
- Scotland Food & Drink
- Scottish Council for Development & Industry
- Scottish Enterprise
- Stirling Enterprise

Environmental / nature / heritage conservation bodies

- Amphibian & Reptile Conservation
- Archaeology Scotland
- British Ecological Society – Scottish Policy Group
- European Forum on Nature Conservation and Pastoralism
- The Game and Wildlife Conservation Trust
- Institute for Archaeologists
- Loch Lomond and The Trossachs Countryside Trust
- Loch of Strathbeg, Local Goose Management
- The National Trust for Scotland
- Perth and Kinross Countryside Trust
- Plantlife
- Royal Society for the Protection of Birds
- Scottish Association of Independent Farm Conservation Advisers
- Scottish Environment LINK
- Scottish Wildlife Trust
- Society of Antiquaries of Scotland
- Soil Association Scotland

- Woodland Trust Scotland

Farming / crofting organisations

- Agroecosystems Ltd
- Crofting Commission
- Falkland Rural Enterprises Ltd
- Fife Diet/Nourish Scotland/Scottish Crofting Federation/Soil Association Scotland (group response)
- Highlands and Islands Agricultural Support Group
- Isle of Islay farmers (group response)
- NFU Scotland
- North East Scotland Agriculture Advisory Group
- Permaculture Scotland
- Scottish Agricultural Organisation Society (SAOS)
- Scottish Crofting Federation
- Scottish Organic Producers Association

Forestry organisations

- Bowlts Chartered Surveyors – Forestry Services
- BSW Timber Group
- Central Scotland Forest Trust
- Confor
- Institute of Chartered Foresters
- UPM Tilhill

Local authority or other local / regional public body

- Aberdeenshire Council
- Angus Council
- Argyll and Bute Council
- Association of Local Government Archaeology Officers
- Comhairle nan Eilean Siar
- Dumfries & Galloway Council
- Dundee City Council
- East Ayrshire Council
- East Lothian Council
- East of Scotland European Consortium
- Highland Council
- The Highlands and Islands European Partnership
- North Ayrshire Council
- Orkney Islands Council
- Perth & Kinross Council
- Renfrewshire Council
- Scottish Borders Council
- Shetland Islands Council
- South Ayrshire Council
- South of Scotland Alliance

- Stirling Council

Local LEADER Action Groups

- Argyll and the Islands LEADER Local Action Group
- Ayrshire LEADER Local Action Group
- Forth Valley & Lomond LEADER Local Action Group
- Highland LEADER Local Action Group
- Rural Aberdeenshire LEADER Local Action Group (LAG)
- Rural Dumfries & Galloway LEADER Local Action Group
- South Lanarkshire Rural Partnership LEADER Local Action Group

Land management organisations / charities

- Association of Deer Management Groups
- Scottish Countryside Alliance
- Scottish Land & Estates

National public agencies and charities

- The British Horse Society Scotland
- DEFRA, Farm Animals Genetic Resources Expert Committee
- Quality Meat Scotland
- Scotland's National Park Authorities
- Scottish Canals
- Scottish Environment Protection Agency
- Scottish Water

Private sector

- CKD Galbraith (Elgin)
- CKD Galbraith (Inverness)

Third sector

- Carnegie Trust UK
- Midlothian Voluntary Action
- Perth & Kinross Association of Voluntary Service Limited
- Scottish Churches Rural Group
- Scottish Council for Voluntary Organisations

Tourism organisations

- Atholl Centre
- Blairgowrie & East Perthshire Tourist Association
- VisitScotland

Other

- British Veterinary Association
- Railfuture (Scotland)
- Royal Institute of Chartered Surveyors Scotland

ANNEX 2: NUMBER OF RESPONSES RECEIVED FOR EACH QUESTION

Question	Individuals	Orgs / groups	Total (% of total 151 responses)
1. Given the EU's Common Strategic Framework approach do you agree or disagree that EU funds in Scotland should be marshalled into three funds?	11	90	101 (67%)
2. Do you agree or disagree with the proposed establishment of a single Programme Monitoring Committee to ensure all EU funds are targeted effectively?	13	88	101 (67%)
3. Given the need to prioritise our spending in the future programme which articles do you see as a priority for use within the next programme?	36	96	132 (87%)
4. Do you agree or disagree that we should geographically target our investment to areas where support will make the greatest contribution to our priorities?	16	90	106 (70%)
5. Do you agree or disagree that support for small local businesses should be provided through LEADER?	12	83	95 (63%)
6. Do you agree or disagree to the proposal to disband RPACs and replace with a more streamlined assessment process as explained in Section 8?	15	83	98 (65%)
7. Do you agree or disagree that LMOs should be removed from the future programme, given the spending restrictions we are likely to face and the need to ensure maximum value from our spending?	19	74	93 (62%)
8. Do you agree or disagree that the Forestry Challenge Funds be discontinued with WIAT being funded through Rural Priorities and F4P funding being provided via LEADER?	8	62	70 (46%)
9. Do you agree or disagree that Food and Drink grants be decided via the wider decision-making process for business development applications or should they remain separate and managed within the Scottish Government as is the current practice?	9	62	71 (47%)
10. Do you agree or disagree with crofting stakeholders that a Crofting Support Scheme is established in the new programme that will fund all grants relevant to crofting?	14	48	62 (41%)
11. If a Crofting Support Scheme is developed, do you agree or disagree that crofters (and potentially small landholders) be restricted from applying for other SRDP schemes which offer similar support?	13	51	64 (42%)

Question	Individuals	Orgs / groups	Total (% of total 151 responses)
12. Do you agree or disagree on whether support for crofting should extend to small land holders of like economic status who are situated within crofting counties?	12	48	60 (40%)
13. Do you agree or disagree with the proposed replacement of the Skills Development Scheme with an Innovation Challenge Fund?	13	67	80 (53%)
14. Do you agree or disagree with the measures proposed by the New Entrants Panel to encourage new entrants to farming?	12	56	68 (45%)
15. Do you agree or disagree with the proposed case officer approach to the assessment of applications?	14	83	97 (64%)
16. Do you agree or disagree the proposed single entry route for applications with a two level assessment process?	13	74	87 (58%)
17. Do you agree or disagree with the proposed negotiation of variable intervention rates rather than setting fixed intervention rates?	12	73	85 (56%)
18. Do you agree or disagree with the proposed setting of regional budgets across Rural Development Regulation (RDR) articles?	14	77	91 (60%)
19. What support and assistance do you think applicants will need for this application process to work effectively?	14	83	97 (64%)
20. Do you agree or disagree with the value of developing a descriptive map of holdings to help farmers and stakeholders understand the potential ecosystem value of specific holdings?	16	73	89 (59%)
21. Do you agree or disagree with the proposal to allow applicants to submit single applications which set out all investments / projects that the applicant would like to take forward on their land?	14	77	91 (60%)
22. Do you agree or disagree that it would be helpful to allow third party applications for specific landscape scale projects?	17	84	101 (67%)
23. Do you agree or disagree with public agencies working together to identify priority areas that could benefit from a co-ordinated third party application?	15	84	99 (66%)
24. Do you agree or disagree with the establishment of a separate fund to support collective action at the landscape scale?	14	82	96 (64%)
25. Do you agree or disagree with broadening the Whole Farm Review Scheme to include biodiversity, environment, forestry, water pollution control and waste management?	16	74	90 (60%)
26. Do you agree or disagree that we allocate SRDP budget to advice provision when we move to the next programme?	18	85	103 (68%)

Question	Individuals	Orgs / groups	Total (% of total 151 responses)
27. What are your views on the merits of providing loans for specific purposes and / or specific sectors?	12	80	92 (61%)
28. Do you agree or disagree with the proposal to maintain the current level of transfer from Direct Payments to SRDP in the new programme period?	27	71	98 (65%)
29. Please tell us about any potential impacts, either positive or negative, you feel the proposals in this consultation document may have on any of the equalities characteristics listed in paragraph 136.	6	52	58 (38%)

ANNEX 3: PRIORITY ARTICLES BY RESPONDENT TYPE

The table below provides a comparison of the articles identified as priorities by the eight largest groups of respondents (total sample = 98 respondents). The highest priorities (in bold, shown in the first column) were identified by at least two-thirds of the respondents in each group. The additional articles listed for each group were identified by one or more respondents in that group.

Table A3.1: Respondents' priorities by respondent type

Local authorities, LEADER Action Groups and other local bodies (n=21)	
Highest Priorities	**Priorities Identified by at least one respondent in group**
• **Farm and business development (art 20)** • **Basic services and village renewal (art 21)** • **Co-operation (art 36)**	• Knowledge transfer and information actions (art 15) • Advisory services, farm management and farm relief services (art 16) • Quality schemes for agricultural products and foodstuffs (art 17) • Investments in physical assets (art 18) • Investment in forest area development and improvement of viability of forests (art 22) • Afforestation and creation of woodland (art 23) • Establishment of agro-forestry systems (art 24) • Prevention and restoration of damage to forests (art 25) • Investments improving the resilience and environmental value of forest ecosystems (art 26) • Investments in new forestry technologies and in process and marketing of forest products (art 27) • Setting up of producer groups (art 28) • Agri-env-climate (art 29) • Organic farming (art 30) • Natura 2000 and Water Framework Directive (art 31) • Payments to areas facing natural or other specific constraints (art 32) • Designation of areas facing natural and other specific constraints (art 33) • Animal welfare (art 34) • Forest, environmental and climate services and forest conservation (art 35) Income stabilisation tool (art 40)

Environmental, nature and heritage conservation bodies (n=16)	
Highest Priorities	**Priorities Identified by at least one respondent in group**
Advisory services, farm management and farm relief services (art 16) **Establishment of agro-forestry systems (art 24)** **Agri-environment-climate (art 29)** **Forest, environmental and climate services and forest conservation (art 35)** **Co-operation (art 36)**	- Knowledge transfer and information actions (art 15) - Quality schemes for agricultural products and foodstuffs (art 17) - Investments in physical assets (art 18) - Restoring agricultural production potential (art 19) - Farm and business development (art 20) - Basic services and village renewal (art 21) - Investment in forest area development and improvement of viability of forests (art 22) - Afforestation and creation of woodland (art 23) - Prevention and restoration of damage to forests (art 25) - Investments improving the resilience and environmental value of forest ecosystems (art 26) - Setting up of producer groups (art 28) - Organic farming (art 30) - Natura 2000 and Water Framework Directive (art 31) - Payments to areas facing natural or other specific constraints (art 32) - Designation of areas facing natural and other specific constraints (art 33) - Animal welfare (art 34)
Farming / crofting organisations (n=9)	
Highest Priorities	**Priorities Identified by at least one respondent in group**
Knowledge transfer and information actions (art 15) **Advisory services, farm management and farm relief services (art 16)** **Investments in physical assets (art 18)** **Farm and business development (art 20)** **Establishment of agro-forestry systems (art 24)**	- Quality schemes for agricultural products and foodstuffs (art 17) - Basic services and village renewal (art 21) - Investment in forest area development and improvement of viability of forests (art 22) - Afforestation and creation of woodland (art 23) - Prevention and restoration of damage to forests (art 25) - Investments improving the resilience and environmental value of forest ecosystems (art 26) - Investments in new forestry technologies and in process and marketing of forest products (art 27) - Setting up of producer groups (art 28)

• **Co-operation (art 36)**	• Agri-env-climate (art 29)
	• Organic farming (art 30)
	• Natura 2000 and Water Framework Directive (art 31)
	• Payments to areas facing natural or other specific constraints (art 32)
	• Designation of areas facing natural and other specific constraints (art 33)
	• Animal welfare (art 34)
	Forest, environmental and climate services and forest conservation (art 35)

Community bodies and local partnerships (n=7)

Highest Priorities	Priorities Identified by at least one respondent in group
Basic services and village renewal (art 21)	• Knowledge transfer and information actions (art 15)
	• Advisory services, farm management and farm relief services (art 16)
	• Investments in physical assets (art 18)
	• Farm and business development (art 20)
	• Investment in forest area development and improvement of viability of forests (art 22)
	• Afforestation and creation of woodland (art 23)
	• Establishment of agro-forestry systems (art 24)
	• Investments improving the resilience and environmental value of forest ecosystems (art 26)
	• Agri-environment-climate (art 29)
	• Natura 2000 and Water Framework Directive (art 31)
	• Forest, environmental and climate services and forest conservation (art 35)
	Co-operation (art 36)

National public bodies (n=6)

Highest Priorities	Priorities Identified by at least one respondent in group
• **Knowledge transfer and information actions (art 15)** • **Investments in physical assets (art 18)**	• Advisory services, farm management and farm relief services (art 16)
	• Quality schemes for agricultural products and foodstuffs (art 17)
	• Restoring agricultural production potential (art 19)
	• Farm and business development (art 20)
	• Basic services and village renewal (art 21)
	• Investment in forest area development and improvement of viability of forests (art 22)

	• Afforestation and creation of woodland (art 23) • Establishment of agro-forestry systems (art 24) • Prevention and restoration of damage to forests (art 25) • Investments improving the resilience and environmental value of forest ecosystems (art 26) • Investments in new forestry technologies and in process and marketing of forest products (art 27) • Setting up of producer groups (art 28) • Agri-environment-climate (art 29) • Natura 2000 and Water Framework Directive (art 31) • Payments to areas facing natural or other specific constraints (art 32) • Designation of areas facing natural and other specific constraints (art 33) • Animal welfare (art 34) • Co-operation (art 36) • Crop, animal and plant insurance (art 38) • Income stabilisation tool (art 40)

Forestry organisations (n=5)

Highest Priorities	Priorities Identified by at least one respondent in group
• **Investment in forest area development and improvement of viability of forests (art 22)** • **Afforestation and creation of woodland (art 23)** • **Establishment of agro-forestry systems (art 24)** • **Prevention and restoration of damage to forests (art 25)** • **Investments improving the resilience and environmental value of forest ecosystems (art 26)** • **Forest, environmental and climate services and forest conservation (art 35)**	• Knowledge transfer and information actions (art 15) • Advisory services, farm management and farm relief services (art 16) • Quality schemes for agricultural products and foodstuffs (art 17) • Basic services and village renewal (art 21) • Investments in new forestry technologies and in process and marketing of forest products (art 27) • Crop, animal and plant insurance (art 38)

Economic development agencies (n=5)	
Highest Priorities	**Priorities Identified by at least one respondent in group**
• **Farm and business development (art 20)** • **Co-operation (art 36)**	• Knowledge transfer and information actions (art 15) • Advisory services, farm management and farm relief services (art 16) • Quality schemes for agricultural products and foodstuffs (art 17) • Investments in physical assets (art 18) • Basic services and village renewal (art 21) • Investment in forest area development and improvement of viability of forests (art 22) • Afforestation and creation of woodland (art 23) • Establishment of agro-forestry systems (art 24) • Investments improving the resilience and environmental value of forest ecosystems (art 26) • Investments in new forestry technologies and in process and marketing of forest products (art 27) • Agri-environment-climate (art 29) • Organic farming (art 30) • Natura 2000 and Water Framework Directive (art 31) • Payments to areas facing natural or other specific constraints (art 32) • Designation of areas facing natural and other specific constraints (art 33) Forest, environmental and climate services and forest conservation (art 35)
Individual respondents (as a group) (n=27)	
Highest Priorities	**Priorities Identified by at least one respondent in group**
• **Agri-environment-climate (art 29)**	• Knowledge transfer and information actions (art 15) • Advisory services, farm management and farm relief services (art 16) • Quality schemes for agricultural products and foodstuffs (art 17) • Investments in physical assets (art 18) • Restoring agricultural production potential (art 19) • Farm and business development (art 20) • Basic services and village renewal (art 21) • Investment in forest area development and improvement of viability of forests (art 22)

	- Afforestation and creation of woodland (art 23) - Establishment of agro-forestry systems (art 24) - Investments improving the resilience and environmental value of forest ecosystems (art 26) - Setting up of producer groups (art 28) - Organic farming (art 30) - Natura 2000 and Water Framework Directive (art 31) - Payments to areas facing natural or other specific constraints (art 32) - Designation of areas facing natural and other specific constraints (art 33) - Animal welfare (art 34) - Forest, environmental and climate services and forest conservation (art 35) - Co-operation (art 36) - Risk management (art 37) - Mutual funds for animal and plant diseases and environmental incidents (art 39)

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