**Consultation on Stability and Simplicity - Proposals for a Rural Funding Transition**

**Analysis of Consultation Responses**

**November 2018**

# **INTRODUCTION**

# This report sets out a summary of responses to the consultation as well as details of how responses will feed through to the next stage of work.

# The consultation had a total of 135 direct responses. All responses have been published on the consultation website, where relevant (some asked for response not to be published).

# Overall respondents are content for current support to continue as it is, with any improvements to process that are possible to be made. It was clear from the responses however that we should begin to develop and consult on new funding arrangements now to ensure we are as ready as we can be. Continuing with the old EU approach is mostly disfavoured, but the importance of continued support is a common theme albeit with differing views on what the priorities should be. The overwhelming majority are in favour of support being directed towards public goods, but current disagreements on the split of funding between priorities remain (emphasis on food production versus enhanced encouragement of sustainable farming practices). A more detailed summary of all responses is set out below, (overall summary of all responses) as well as a summary of responses by question.

# We anticipate needing a significant programme of work to take forward the issues raised in the consultation, including the work of the Simplification Task Force.  It will be important to hold the space open to carry out this work effectively, while recognising stakeholder demands for progress.

**Overall summary of responses**

# Broadly all schemes received a reasonable level of support to continue in the short term, albeit all have some issues to address to improve delivery/outcomes. More work will be required to effectively assess proposals for change, and development of new ideas. The suggestions below will feed into this work and an initial report on their feasibility produced once this work is complete.

# P1 support

## The transition timescale was supported by the majority of respondents, albeit with several caveats around the need to improve administration now. There was also a call from several respondents to begin taking forward the development of new approaches as soon as possible.

## In terms of the complexity of the support and areas to address going forward; Improvements to: mapping, application forms, self-declarations, payment timescales, and publicity and customer communications were all raised. However, several respondents expressed caution over changes, stating that a measure of stability was required given the recent upheaval. A key theme, on this question and throughout responses, was to focus on the delivery of outcomes, with significant variation on what those should be.

## On capping some considered this could be beneficial and may ensure more adequate support for small businesses, as well as potential improvements to delivery of broader objectives through the release of additional funding. However some concern was expressed regarding the reduction in economies of scale this could produce, and the risk that capping could prove to be a disincentive for larger businesses to participate in a scheme.

## LFA was considered important and should be retained, with the many saying it needed to be revised to ensure support was targeted appropriately. The possibility of transferring to P1 was considered to be attractive by some, but more work was required to ascertain how effective and simple this would be in practice. Stocking densities and self-declarations were raised as specific areas to improve going forward, in addition to the targeting of support.

## In terms of the proposed pilots to take forward possible development of future schemes, there was broad support for this in both pillars.

## Some improvement were raised in addition to those mentioned above, focusing on our specific questions around mapping and inspections. These were: mapping tolerances, frequency of inspections and changes, and overly punitive penalties. There was the view that inspections and compliance ensured public money was well spent and outcomes delivered, so care needed to be taken any change was appropriate before it was implemented. Finally, there was a call for farmers and SG staff to work together to ensure the investment was spent appropriately and effectively.

## P2 support. This section set out some specific questions on each individual scheme/approach in the current SRDP. Broadly, respondents favoured more of the same but for the majority of schemes significant changes were suggested/requested to improve customer experience and enhance the delivery of outcomes.

## The majority supported purpose of monitor farms and their current effectiveness. However, caution was expressed regarding expansion for the sake of it. Some suggested that the priorities for research could be made broader to facilitate enhanced learning.

## There was broad support for the consideration of a performance based approach to future schemes, including the development of KPIs, where relevant, however many responses believed more work would be required before a view could be given.

## The continuation of forestry support in some form was broadly supported. However, several improvements were suggested and some raised the need to: better support small farms/crofts; expand agroforestry; and improve integration with other schemes/priorities. Some respondents raised the need to ensure all of the recommendations in the Mackinnon report are taken forward.

## On AECS the majority fully supported the need for funding to continue. However, most stated that change was required to ensure support is effective regarding the delivery of outcomes. Several areas of concern were raised, although caution was expressed around ensuring changes don’t add further complexity and confusion. The current priorities were considered to be mostly sufficient, albeit some specific additions were suggested (e.g. hedge creation). Some believed the balance could be improved to focus more on key areas (e.g. species in decline).

## Capital grant schemes (CAGS, New Entrants, Small Farms) were supported by the majority of those who responded to an extent, with several believing they needed to be targeted more effectively. Some issues were raised around scheme eligibility and focus, although for these schemes many responses praised the effectiveness of how they are delivered. Most believed they should continue as stand-alone schemes, believing that if it’s not broken why fix it.

## FPMC was considered to be an important and effective scheme, and well administered. Areas to improve were around enhancing support for smaller businesses, and considering a loan scheme approach.

## LEADER approach outlined in paper was supported, with local delivery stated as being the key to success. The lack of consistency between local groups was stated to be a strength not a weakness. However this did not address the perceived inconsistency in application of standard rules, with the scheme also considered to be overly burdensome due to a lack of clear guidance, and an ineffective IT system.

## Although Broadband was strongly supported as a priority for Scotland, many of the responses did not believe the source of the money was particularly relevant as long as broadband provision for all of Scotland was adequately funded. Some believed continuation of SRDP funding in this area demonstrated support for a key priority for rural Scotland, and plugged a gap in the market until R100 was up and running.

## The provision of advice was supported by the majority, with several considering the current service to be ok but in need of enhancement and expansion. Most believed that the provision of expert 1-1 advice required significant expansion as this was considered to be key to ensuring genuine improvement, complemented by improved monitoring. One to many was considered effective by some on a case by case basis, but could not be a substitute for 1-1.

## On KTIF it was suggested it could be more effectively communicated, and results more widely disseminated. Some suggested the fund could be joined up with other knowledge transfer schemes (e.g. QMS). There were also requests to consider expanding eligible topics (e.g. forestry).

## BES was broadly supported, with some concerns raised regarding the administrative burden, particularly for small holdings. Concerns were also expressed regarding continuation due to the focus on efficiency potentially being harmful to other priorities (e.g. water quality). Respondents were open to the idea of transferring this scheme to P1, but more detail is required before a definitive view can be given.

## Finally, the majority of respondents were in favour of a rural network of some sort continuing as this could help towards raising awareness, increasing coordination, and providing an effective link with innovation.

**Summaries of consultation responses by question**

**Q1. Do you agree with the stability approach described here? Please provide comments.**

Although some are in disagreement (12) the majority (65) are in favour of the outlined transition approach and timescales, with some stated reservations. However a common theme was for the approach to change as quickly as possible to better address farming and environmental needs and for work on this to begin now. Several criticise the current system for its negative impact on fragile businesses and new entrants and its poor delivery of public goods. Equally, others criticise existing funding arrangements for not adequately supporting productive agriculture.

**Q2. How might the annual application process for direct payments be adjusted to deliver with a lighter touch for those with little year-on-year change in their business?**

Overall the majority (52) of respondents to this question suggested adjustments to mapping, pre-population of forms, and the ability to self-declare. Caution was expressed by some, including from those suggesting adjustments, regarding the feasibility of making changes at this point given the lack of stability over recent years. For those stating there should be no adjustments (14), the reasons given were that instead the Scottish Government should focus on developing the new approach and ensuring it is fit for purpose, in addition some stated it was important that those receiving public money could prove appropriate use of it.

**Q3. Are there operational changes in our delivery of Direct Payments that you would like the Government to consider during the transition period?**

The majority (47) are in favour of reasonably minor modifications to the current delivery of direct payments, with most of these (30) focussing on the need for consistent and early payment dates and better communication of these. A few respondents would like the Scottish Government to be bolder and move to a new approach more quickly. On the other hand those who responded no to the question (9) were wary of any change at all until the new approach was fully ready, due to the system already being difficult to operate.

**Q4. Do you support the continuation of some or all CAP rules on inspections and compliance during the Transition period, bearing in mind that Scotland will still need to comply with the rules of the World Trade Organisation (WTO)?**

The majority of respondents agree (25) or partly agree (26) that CAP rules should continue relating to inspections and compliance during the transition period. Although they agreed, the common theme was the need for a more proportionate and considered approach to farm inspections and regulation, particularly with regards to mapping tolerances. Some noted that penalties for inadvertent minor breaches can have an detrimental effect on farmers and crofters. A number highlighted the introduction of unnecessary gold plating should be re-visited. 10 respondents have no firm view and 10 did not support the continuation of CAP rules during the transition with the same issues as highlighted by those agreeing.

**Q5. Do you have any suggestions for straightforward changes that would improve the environmental outcomes achieved through greening payments in Pillar 1?**

65 of the respondents noted that they have suggestions for straightforward changes that would improve the environmental outcomes through Greening payments in Pillar 1. Crop rules along with associated issues such as fallow and common grazings were the predominant issues with some well thought out suggestions for improvement for both farming and wildlife. The improvement of environmental outcomes and wildlife issues were also big topics rather than just simplifying the scheme for agricultural practices. 11 of the respondents had no suggested changes regarding changes to environmental outcomes

**Q6. Considering how funding is currently distributed across CAP schemes, do you have initial views about how the balance between these schemes should change in future to maximise outcomes?**

All respondents (81) except one had views about how the balance between schemes should change to maximise outcomes in future. There was a hugely varied topic range in the responses, including:

* Delivering environmental and social outcome in the longer term over Pillar 1 payment focus
* Means testing
* More support for smaller units over industrial size
* Active farming definition
* Coupled payments
* New Entrant schemes

The in-depth and variation of responses shows a real interest in how outcomes should be maximised and provides many topics to investigate further.

**Q7. Do you agree that changes to capping are a useful measure to enhance the positive social and environmental impact of agricultural policy?**

49 respondents (58%) agreed that changes to capping would have a positive social and environmental impact on agricultural policy. The main reasons related to larger businesses benefitting too much from subsidy when they possibly don't need it. A counter view was that larger businesses provide economies of scale, efficiency and delivery of public goods that the smaller units do not. For each view relating to capping larger businesses there was a similar view that smaller businesses based in rural communities should be encouraged financially to keep going and to invest.

Active farming should be encouraged and those that seek to exploit the system by changing business structure to maximise the payments should be stopped.

Some views related to capping payments believed it could increase positive environmental and social impacts, however this would need to be outcome based. One view related to funding being for all of the rural community and not just agriculture.

As with other consultation questions there is a diverse view on capping and the pros and cons either way along with how the monies should be re-directed. There was however a strong view that the monies freed up from capping should be re-directed to other positive schemes.

22 respondents felt that there should be no capping and 13 respondents were unclear in their overall view.

**Q8. Do you have any specific views on how capping should work including what a maximum cap should be?**

While some respondents (14) argued that there should be no capping, the majority (47) argued for a cap in one form or another.

* The majority of pro-capping answers suggested the £50-75k range, with other answers stretching up to £200k.
* Many answers supported a modulated approach to payments (otherwise listed as progressive payments with varying levels pegged to labour units and so on).
* Most anti-capping responses cited output, productivity, environmental benefits and social impact as reasons to remove capping. In theory these responses could be linked to the common desire for modulated payments as described above.

**Q9. Should there be a maximum cap on the total funding a business receives from all schemes, or a scheme-by-scheme approach?**

Of the total respondents (83), 19 noted that there should be no cap on total funding at all. 21 believed there should be a cap on the total from all schemes whilst a further 33 thought a cap should be introduced on a scheme-by-scheme basis. Views relate to the importance of being able to demonstrate what services are being received in exchange for funding and concerns that a maximum cap on total funding across different schemes could negatively impact uptake of certain schemes, or discourage diversification of farm activities. Additionally, views related to keeping the administrative burden down for the totality of support received under both pillars should be capped rather than scheme by scheme. An overall cap would disincentivise businesses from moving towards environmental measures. A further 7 had no comment whilst 3 respondents were undecided.

**Q10. How can the aims of LFASS be better achieved/would you prefer to see alternative methods of providing support?**

The majority (48) of respondents felt that the aims of LFASS could be better achieved and needed to change. 13 respondents defended LFASS as an essential payment that must be kept as is, with 14 declining to comment.

Those suggesting change / alternative methods stressed:

* Supporting actual existing LFA - money not always ending up here
* Current scheme too historic - make current
* Simplify (present LFASS overly complex)
* Move to output/outcome- based approach
* Reward natural and environmental farming
* Pursue an Area of Natural Constraints approach
* Those against alternative methods were on the whole not necessarily against *change* per se, but using their response they have rigorously defended the need for an Less Favoured Area payment to continue.

**Q11. Would you see value in directing future LFA support through other existing Direct Payment Schemes?**

There are clear divisions on this issue however the majority (60%) of respondents thought that there was value (26) or possibly have value (17) in directing future LFA through other direct payment schemes. 20 did not see any value and a further 10 made no comment.

**Q12. Do you think there are administrative and operational simplifications that would benefit current or future LFASS claimants?**

Nearly all respondents (42) believe that administrative and operational simplifications will benefit LFASS claimants. 20 of these did not suggest how this could be done but were clear that improvements would be of benefit. Comments relating to stocking density (both for and against) was the prominent topic with some comments relating to simplifying the application process with a 'no change' from the previous year being enough to confirm on their application. Whilst some believed it was overly complicated and in need of improved guidance, there were some comments suggesting that it was a simple application process. A further 14 made no comment and 1 respondent was unsure.

**Q13. Would you support a simplified approach to scheme use of map information or to the land mapping system and, if so, do you have views on where the main opportunities for doing so would lie?**

The overwhelming majority of respondents (59) agreed that a simplified approach to scheme use of map information and to the land mapping system. Relaxing mapping tolerances was the most common theme along with the regularity of inspecting and changing maps, and the cost benefit of minor changes being recorded at the current frequency. Similar to other questions, the penalties in relation to minor mapping irregularities are seen as punitive. Other comments related to more emphasis being put on the greening and other features for environmental benefit, such that the focus was about getting these right and less about the whole field situation. Only 3 noted that they disagreed with a move to a more simplified approach and 11 were either undecided or didn't comment. Of those who disagreed, comments related to the lack of rural communications networks to support simplification or felt that producers would not want to take the responsibility for up keeping maps themselves.

**Q14. Do you support the use of regional pilots to help tailor schemes to local circumstances?**

Overwhelming majority (58) of respondents support the use of regional pilots to help tailor schemes to local circumstances.

Main reasons for this support include:

* Tailored support & objectives/outcomes
* Increasing diversity of land use
* Encourages greater stakeholder engagement/involvement in decision making
* Greater value for £
* Chance to consult Land Use Register - Regional Land Use Frameworks
* Answers that didn't support the use of regional pilots were generally sceptical of any perceived benefits, and questioned cost, length of exercise during short transition window, complexity and consistency across the country.
* Many responses also stressed the inherent difficulties around regionalised pilots having regionalised inspection regimes - how could this be reconciled and made fair/just?

**Q15. Do you have views on how the inspections regime could be made more efficient while retaining existing public benefits?**

Many agree that if farmers and crofters are to continue to receive public funding, then inspections are necessary to retain public benefit. Some proposed that Scottish Government should provide more guidance and advice, helping farms and crofts to thrive and work towards building a trusting and co-operative relationship between claimants and Scottish Government. Some suggested the use of advanced technology to increase accuracy of findings. Better coordination with assurance schemes and delivery agencies to reduce the number of inspections was also suggested by many respondents. Further common themes include greater tolerance, inspections being proportionate to the risk posed, and a need to reduce the threat of excessive penalties which are seen to be detrimental to development and performance. Whilst many agreed that inspections should be simplified, there were a few that did not support a move to reduce the intensity of inspections.

**Q16. Do you have views on how the penalty regime – particularly around fairness, transparency, the maintenance of standards and compliance burden – could be improved in the short-term?**

Many criticised the current penalty regime stating penalties were too excessive, complex and disproportionate and suggested that a new simplified regime should be introduced. Many respondents were looking for a fair regime where there is a clear distinction between minor and major non-compliances with proportionate penalties imposed. A common theme was that whilst penalties are important to deter non-compliance, Scottish Government should offer more guidance, transparency, support and advice to help farmers and crofters comply with regulations and scheme guidance.

**Q17. Are there specific issues you think the Simplification Task Force should prioritise for review?**

Nearly all respondents (53) felt there were specific issues that should be prioritised by the Simplification Taskforce. The range of suggestions is wide and covers a wealth of areas of our business, from schemes, support and mapping to inspections and compliance. There was no single issue highlighted to any degree that would suggest there was an obvious priority to focus on. There was, however, some depth to the responses that provides sufficient detail to allow the Task Force to investigate the individual issues further. 11 respondents had no comment with just 2 noting that there were no specific issues to prioritise.

**Q18. Do you agree with the proposals to set a timescale of up to five years for transition? Please provide comments.**

The majority (58) of respondents agreed with the proposal to set a timescale of up to 5 years for transition. However, multiple answers stressed the need to have a clear and coherent vision and strategy of what the end of the transition phase will look like in order to avoid using the transition as a means to stall decision making. Answers that disagreed (12) with or were unclear (10) about the proposed transition timescale generally agreed on the need to bring about change at a much quicker pace. Most answers across the responses encourage the Scottish Government to align priorities going forward so that businesses were able to plan for life outside of the EU.

**Q19. If new schemes seek to encourage collaboration, enhance skills development, help with capacity building, facilitate wider integration into the supply chain, promote carbon audits and monitoring of the soil health, how might pilot projects be best designed to help test and develop new approaches?**

62 respondents offered suggestions relating to how pilot projects may be designed to help test and develop new approaches. Suggestions, like many of the open questions in the consultation were wide and varied in their scope. Some of the more common suggestions related to:

* Time-limited Schemes with Measurable Outcomes
* Engagement and Input from Wide Range of People/Businesses
* Build schemes from bottom up.
* Use of the monitor farm network with farmer and expert input. Producers learn a lot from them and they help promote and support new ideas.
* Use regional partnerships to pilot a variety of approaches
* Simplify and target payments to easily measured outcomes

**Q20. Many of the measures described in this consultation will have co-benefits for both agricultural productivity and for reducing Scotland's Greenhouse Gas Emissions. Are there other practical and feasible measures that would have similar co-benefits that you feel should be considered?**

The majority (59) of respondents believe there are other practical and feasible measures that would have similar co-benefits for both agricultural productivity and for reducing Scotland's Greenhouse Gas Emissions. Multiple suggestions were raised by respondents. The most common appears to be related to carbon auditing and accounting in relation to funding and climate targets.

**Q21. Do you agree to expanding the number and role of Monitor Farms or similar during the transition period? Do you have any ideas as to how Monitor Farms could be refined or adapted to better meet future needs?**

The answers to this question required some interpretation. Many of those who responded yes to the question (33) cautioned against expansion for the sake of it, although if there was merit and scope they supported the proposal. Conversely many who responded no to expansion (31) did support the scheme itself, particularly if it was enhanced in certain ways (e.g. increased awareness, broader approach, improved monitoring and reporting). Overall there was significant support for the purpose of monitor farms, with the majority stating improvement was required and that they should continue. However there were several respondents who believe a new approach is required to ensure a greater number of farmers engaged in improvement activity that more clearly directly benefitted their farm, and that this support was aligned with other funding to simplify the current landscape and increase overall effectiveness.

**Q22. Do you agree with the proposal to look at moving towards a more performance based approach to compliance, using key performance indicators and better information?**

Responses to this question were mixed with no strong preference coming through, other than a need to improve the current approach which is seen as being overly bureaucratic and ineffective in its delivery of outcomes. A significant number of those who responded no (12 out of 19) did so due to uncertainty over the proposed approach and more information would be required before they could take a definitive view. For those who responded yes (50) the overarching theme was a desire to improve delivery through focusing on achieving the best possible outcome relative to the farm itself, rather than broad brush improvements that are seen as too generic. Many of those who responded yes (18 out of 50) also stated that more information/development is required to ensure the approach was effective.

**Q23. Do you have views on the types of indicator that should be used or areas of priority action within the operation of current CAP schemes?**

For those who gave a substantive response to the question (39) the following broad categories came through: environment & climate indicators; CPD participation; alignment and delivery of plans; productivity of farm; and crofting sustainability. Several who responded no or gave no substantive response (4) stated the need for more information/development before a view could be given. Those remaining who said no to the question (8) were either of the view that a new approach to funding agriculture was needed or had no view on indicators and priorities. 3 of the respondents linked this question to question 22.

**Q24. Given the importance of continuity of support for the forestry sector and that the target for new woodland is to increase to 15,000 hectares by 2025, should the current the Forestry Grant Scheme continue broadly in its current form until 2024 or can you suggest other short-term changes that would better achieve these policy aims?**

A complex question to interpret with responses varying quite widely. Where it is stated a respondent agreed, this was defined as support for FGS to continue in its current form, and/or where small changes should be made to increase its effectiveness. Where it is stated a respondent disagreed this is defined as a call for significant change due to the current approach being inadequate. There was a strong call (36 responses) for the scheme to continue relatively unchanged at this stage due to the current uncertainty of any future changes. However even when broadly supporting the scheme and the need for consistency at present, certain amendments to the scheme were proposed (such as: increased integration with other land uses; increased planting of native trees; enabling an increase in small-scale planting; decreasing the bureaucracy; amending payment rates; and ensuring planting is appropriate to the land use). Equally there were many (19) who did not support continuation of the current scheme due to its perceived faults. A strong theme which cut across many of the responses is the belief that inappropriate planting is having negative impacts on productive agriculture, crofting, biodiversity, rural communities and the historic environment. Several who responded recommended that the FGS should seek to increase the level of agroforestry plantings due to the multiple benefits they produce.

**Q25. In considering the current Forestry Grant Scheme, are there opportunities to improve the administrative efficiency of the scheme?**

28 respondents (the same number gave no substantive response) to this question suggested some areas could be improved, with several referring to the Mackinnon report and the need to ensure its recommendations are all implemented. A broad variety of areas to address came through from those suggesting improvements could be made: simplification of current regulations and administration; consistent, clear, and prompt timescales for payments and assessments; ensuring woodland creation and management is done appropriately, with consideration of broader outcomes and integration with relevant strategies and plans; enabling small-scale woodland creation and agroforestry; and amending payment rates to ensure priorities are adequately incentivised. For those who voted no (5), this was due to the belief that there is currently too much inappropriate planting (as regards loss of productive land and negative impacts on biodiversity and climate change targets); and the need to ensure compliance to avoid detrimental damage to the wider environment.

**Q26. Given the importance of continuity of support for environmental outcomes, should the current Agri-Environment Climate Scheme continue broadly in its current form until 2024 or are there short-term changes that could be introduced to i) simplify and streamline the scheme, ii) improve customer experience and/or iii) enhance the delivery of environment and climate change objectives?**

There was strong support for the purpose of AECS overall, however the overwhelming majority (64) stated the need for a change to the current approach now to ensure its objectives were being achieved. Views were strong on how complex and confusing the scheme was to navigate and implement; with many expressing concerns that the outcomes were not being adequately achieved. Broad themes that came through were: the need to improve access for small holdings; a stronger focus on taking an integrated and outcome focussed approach; the importance of tailored and expert advice; increasing the support currently given by area offices to help ensure the most effective and appropriate actions were being planned; and ensuring there was sufficient focus on all key priorities for rural Scotland (e.g. historic environment, access and organics). For those responding no (7) the reason appeared to be concern that change risked more disruption to a scheme that had experienced too much already, this concern was shared by several who suggested some change.

**Q27. Are there new emerging environment or climate change priorities that need particular focus under the Agri-Environment Climate Scheme in the next three - five years?**

Overall the responses suggested that continuing with the current priorities is sufficient to address need; as long as several areas of concern were adapted/improved (e.g. scheme structure & complexity; and taking a more integrated approach to funding and delivery). 54 responses were in favour of some change to priorities and/or focus.

Where broad suggestions are given that cut across different actions they have been categorised under broad terms such as adaptation & mitigation (14 responses); HNV farming, which includes crofting & LFA areas (4 responses); and biodiversity (4 responses). Where a particular focus on a specific priority (e.g. small holdings; sustainable energy; slurry management, pollinators; deer management; and access) is recommended it is categorised as such (25 responses). Most of these were stated as being funded through the current scheme but some respondents believed they needed increased and/or enhanced support (e.g. key species in decline; historic environment; organics; slurry management & storage; and wider mitigation measures).

Options to implement actions that would support: fungi; environmentally friendly packaging; and hedge creation & management, were requested.

Separate to these specific and broad suggestions, 2 responses raised the possibility of implementing a new way to fund improvements through the use of either an agreoecology or natural capital approach; which could potentially deliver benefits on a landscape scale and across a wide range of priorities (e.g. the environment; forestry; agriculture; climate; and rural communities).

Two respondents stated no changes to priorities were required, with one suggesting that any change should be scoped out properly first.

**Q28. Considering the current New Entrants Capital Grant Scheme, are there opportunities to improve the administrative efficiency of the scheme?**

In total 40 gave substantive responses to this question. Out of those 29 suggested areas of the scheme that could be improved to make it less complex and/or more effective (e.g. assessments & applications (process and timescales); how New Entrants are currently defined (9 respondents raised this as a significant issues to address as it is believed current support is not targeted appropriately); and the consistency of assessments across Area Offices). Several specific technical improvements to the process were recommended, such as: the introduction of a statement of intent; provision of an application template; splitting current guidance for capital grants and tailor it for each scheme; allow online claims; and enable retrospective payments. Of those who stated no change was required (12 responses), for some this was due to either a desire to continue with the current scheme as it is believed to be effective and reasonable for the applicant; or concern that the current approach will not meet the need (e.g. insufficient funding). There were some who did not believe supporting New Entrants in this way was appropriate due to: the cost of land being the key issue negatively impacting on New Entrants; a desire to focus on crofting instead; and the lack of value to the public purse. Of the 20 who gave no substantive response to the question 1 did state this was due to not being able to access the scheme as it had ran out of funding, and 1 other questioned its value.

**Q29. Considering the CAGS in its current form, are there opportunities to improve the administrative efficiency of the scheme?**

The majority (30) gave no substantive response due to either not being aware of the scheme, or it not being relevant to them. 1 of these did question the scheme's value. Out of the 21 who submitted a substantive response 13 suggested areas to improve to address specific concerns, such as: introduction of standard costs; grant assignation; provision of quotes; grant payments & timescales; and grant thresholds. 3 of these 21 also expressed a preference for the scheme to change its focus to ensure that common grazings and forestry where better supported. Of the 7 who stated no change should be undertaken, for 5 this was due to the current scheme being considered as effective. For the remaining 2 this was due to the cost of land being perceived as the key barrier requiring attention, and the need to undertake an overall review of current crofting support and regulation.

**Q30. Should the scope of what can be funded be reviewed, for example in terms of adding in new elements and restricting total spend on some projects?**

There were 31 substantive responses to this question, with 26 of those suggesting additional elements to fund (e.g.: machinery rings; seeding; weight scales; skills training; diversification; and new technology). 3 respondents expressed the need to keep this area under review, with 1 who responded no change required suggesting we should firstly review the entire scheme to ensure its effectiveness. For some the focus of the funding had to change rather than simply adding new elements, with areas introduced such as: forestry: HNV farming; historic environment; and small farms. For those responding that no changes were required (5 responses), this was centred on the perceived effectiveness of the current scheme.

**Q31. Do you have initial views on the proposal to close the Small Farms Grant Scheme?**

45 responded to this question with a view on the proposal. Of these 17 supported the proposal to close the Scheme due to: the low uptake; it’s perceived effectiveness and associated need to review support; and the opportunity to merge with CAGS. The remaining 28 were against closure of the scheme due to the importance of supporting small holdings, and the low uptake being down to failures in the scheme (poor communication and the excessive/unnecessary income threshold).

**Q32. Would there be customer benefits if the CAGS, small farms capital grant scheme and the new entrants capital grant scheme were combined?**

Of the 50 who gave a substantive response, 14 supported the proposal to combine these schemes, mainly due to the perceived simplification and fairness this would facilitate. 7 respondents were unsure of the proposal and would perhaps support it as long as it did provide benefits to the applicants. For the 30 who did not support the proposal the majority responded favouring continuation of the current schemes due to: the importance of continuing tailored support; the risk support would be diluted; and the lack of genuine benefit to the applicant. 5 respondents who did not support the proposal believed the overall support regime needed to be reviewed, and questioned the effectiveness of current support. 2 stressed the importance of a tailored approach for New Entrants to continue.

**Q33. Considering the current FPMC scheme, are there opportunities to improve the administrative efficiency of the scheme?**

26 gave a substantive response to this question, with 16 suggesting issues to improve going forward (e.g. small businesses (grant rates; support available to small businesses; the need to integrate with other funding streams available to the food & drink industry; and awareness of the scheme). Of those responding no, 6 supported continuation of the current approach as it was considered to be effectively administered. However some stated the need to review the effectiveness of the current approach to ensure it was producing the required outcomes.

**Q34. Would you wish to see other aspects of this scheme changed in the short-term?**

23 gave a substantive response to this question, with 16 favouring some change to the scheme in the short term to provide support for: skills; forestry; small businesses; and raw milk product. Some who responded in favour of change focussed on the need to improve technical aspects, such as: grant rates; capping of payments to ensure large businesses did not take up all the funding; speeding up application timescales; and improvements to the assessment process through more frequent rounds. Some responses favoured a more significant change, through: ensuring the public receives value for money and priorities are addressed; the change to a loan scheme; and integrating funding with LEADER. Of the 7 who responded there was no need to change, 3 stated this was due to the current scheme being sufficient. Majority support purpose of monitor farms, caution expressed on expansion for sake of it but if merited then ok. Could be made broader to facilitate learning across a range of priorities.

**Q35. Do you have views on priority issues to be considered by any pilots during the transition period?**

31 gave a substantive response to this question, with 29 of these suggesting areas to focus on (e.g.: loan scheme, suggested by 9 respondents; water quality; drainage; animal health & welfare; and improving the local & national supply chain). Out of these 28 responses some suggested broad areas to focus on rather than specific items/proposals, such as: crofting; wildlife; efficiency; and productivity. 3 responded stating no to the question, with one of these stating there should be no pilots as this would restrict funding for current schemes. 3 of those who did not give a specific response to the question did express either a need to move quickly, or offering to assist in pilot development.

**Q36. Is the LEADER approach something that you could support?**

Overall a significant majority of those who gave a substantive response agreed with the approach outlined in the consultation paper (44 of 67 responses), with 14 of these raising the need to improve aspects of scheme delivery. 7 of these respondents also raised the importance of a locally led and delivered scheme due to the significant benefits this brings, and expressed concern at the statement regarding consistency of approach being an issue as tailoring to local circumstances and priorities was seen as a key success factor not a weakness. However 1 response did raise consistency of approach as an area to improve. Some responses also raised the need to confirm short and long term funding as soon as possible to avoid loss of momentum and knowledge, with 1 stating that the budget available to communities needed to be significantly increased. Regarding the 10 respondents who did not support the approach outlined in the consultation paper, this centred around the need to take a new approach to funding communities due to the perceived lack of effectiveness of LEADER.

**Q37. Considering LEADER in its current form, are there other opportunities to improve the administrative efficiency of the scheme?**

45 gave a substantive response to this question, with most favouring changes to the administration to reduce the burden and costs on applicants. These were seen as being overly and illogically onerous which puts off groups and individuals from applying for worthwhile projects, and reducing the outcomes of approved ones. The central IT system (larcs) was raised by several responses as an issue to improve due to its unwieldy and complex nature proving to increase the overall administrative burden in comparison to previous programmes. The LEADER approach itself, as regards the provision of funding for local areas to come together and agree investments to improve rural communities, was almost universal supported with several suggesting further devolution of the process to local areas as being the most effective way of simplifying the administrative effectiveness of the scheme. 2 respondents believe the current approach needed to end and the scheme brought fully into the central system to ensure effectiveness. 4 responses did not state any change was required, with views split evenly between those who supported the current approach and those who believed a new one should be developed.

**Q38. Do you have initial views on the proposal that SRDP broadband support would cease?**

Overall the overwhelming majority responded strongly in favour of the Scottish Government continuing to fund broadband provision in rural areas, with many of those not stating any clear preference regarding how funding is directed as long as it is sufficient and effective. 19 respondents agreed with the approach outlined in the consultation paper, due to them favouring a more integrated approach to the provision of funding or belief that the current scheme is ineffective and overly complex. For those who disagreed with the proposal (21 responses) the reasons given were: timescale of R100 not being quick enough to offer replacement funding stream at this stage; the current support being seen as essential to small community projects; and the need to ensure that broadband funding in rural areas is a priority and that current approach is extended.

**Q39. Do you have any thoughts on the form, content and delivery methods for future advice?**

Responses to this question were complex to analyse, with the majority of responses supporting the availability and provision of advice but with some not offering substantive views on the current advisory service or how it could be delivered in future. However 56 responses did give specific suggestions on how to improve the current provision of advice, such as: the provision of a training fund for every farmer for them to access as they see fit; targeting the hard-to-reach; increasing the number and quality of accredited advisers to enable effective 1-1 advice (with 25 responses raising this as an issue); and enhancing communications to increase awareness of the availability of advice. There were also suggestions that advice should be provided through the public sector in some way, with some recommending the enabling of Scottish Government Area Office staff to undertake this given they had done so in the past.

**Q40. Do you have any views on the balance of advice delivered by one-to-one and one-to-many methods?**

Responses were mostly in favour of an increase in the provision of one-to-one advice, believing this to be the most effective way to achieve change. However even for those favouring one-to-one most stated there is a place for one-to-many where necessary, with some responding that the most appropriate approach is entirely dependent on the topic. For those who favoured one-to-many this was due to the benefits being believed to be more widespread. 2 responses suggested implementing a middle approach of one-to-few at a catchment or landscape scale would provide greater benefit than either of the other options.

**Q41. Do you have any views on how delivery of advice can be better linked to delivery of results?**

All substantive responses proposed areas to focus on to achieve improved outcomes. The majority of these centred around the need to improve monitoring and measurement in some way, to ensure that the advice given was genuinely improving outcomes on farms. Respondents stated this could be achieved via: effective farm level baselining; developing and establishing effective KPIs that relate to the outcomes sought ; ensuring there is appropriate follow-up after advice is given; and increasingly targeting specialist advice to individual farms. Some responses suggested incentivising farmers to take-up and implement advice through linking this to the receipt of farm payments, believing this would secure ownership by farmers and deliver the required outcomes.

**Question 42: Considering the Knowledge Transfer and Innovation Fund (KTIF) scheme in its current form, are there opportunities to improve the administrative efficiency of the scheme?**

For those who gave a substantive response to the question (18 responses), the majority (17) suggested some change. The administrative burden of the fund was raised by 4 responses as a general category to improve. Several gave specific areas to address going forward, such as: the need to increase awareness of the scheme and its requirements through more effective publicity/customer communications; the need to integrate/coordinate KTIF and its projects/research with other knowledge transfer schemes to avoid duplication and enhance/extend outcomes (5 responses); and enabling smaller projects to be developed and implemented. 2 of those who gave no response did so due to the funds eligibility rules preventing access to their sector (forestry).

**Q43. Do you have any views on the effectiveness of KTIF and how the aims of the scheme could be promoted in the future?**

Of the 33 respondents who gave a view on the effectiveness of KTIF and how the aims could be promoted in future, 9 suggested that KTIF be aligned/integrated in some way with other knowledge transfer/skills development schemes/initiatives (such as: QMS, RISS, Lantra; colleges) to avoid any duplication of effort, clarify key priorities, and enhance the outcomes achieved. 5 responses focussed on the need to improve awareness of the scheme, and its customer focus, to ensure it was as accessible as possible. This was also tied to the need for smaller farms and projects to be included in any future approach as currently the funds complexity and focus on large projects was seen to be unhelpful. Specific sectors were also suggested as either a future focus, or a need to include (natural capital, crofting, and forestry).

**Q44. Would you support a similar type of scheme to BES going forward?**

Out of 39 substantive responses to the question, the majority (23) favoured continuation of the scheme in some form. However amongst these, 9 responses stated that significant improvements were required to address the complexity of the current scheme. Some of those who favoured continuation also suggested that a broader approach was required to ensure key agricultural and environmental priorities were more effectively delivered, with enhanced coordination/cooperation being key. Improving access for smaller farms/herds was suggested as an area to focus on to ensure wider coverage and delivery of outcomes. For those who did not support a similar scheme going forward (14 responses) the reasons given centred around: the focus on productive efficiency being harmful to wider objectives and failing to support more sustainable practices; and the purpose and delivery of the scheme requiring review and replacement with a more effective approach. 2 responses stated any support was dependent on the effectiveness of any continued approach.

**Q45. Would you support a future approach that aims to deliver similar increases in efficiency through the direct payment support mechanisms?**

47 gave a substantive response to the question. Out of those 20 supported delivering a BES approach through any future direct payment mechanism due to the potential for simplification and enhanced/extended outcomes this provided. However a significant number did state that several areas had to be addressed in any new approach (e.g.: ensuring it is relevant and practical; and facilitating the inclusion of small scale holdings/herds). Several responses did raise specific issues to be aware off when developing a new approach: the training requirement (in advance and ongoing); the need to ensure any new approach was permissible within WTO rules; and ensuring a sufficient number of expert advisers is available. The 12 respondents who did not agree with the suggestion believed the approach to be: potentially too complex; not relevant/helpful for small scale holdings/herds; too early to change; or the approach to efficiency being ineffective towards achieving broader priorities. 15 responses were open to the suggestion, but more detail would be required to ensure an effective and efficient approach could be developed and implemented.

**Q46. Do you see a continuing role for the Scottish Rural Network (SRN) and, if so, do you agree that its current aims and objectives should be maintained during the transition period?**

42 responses gave a substantive response to this question, with 23 being in favour of the SRN continuing and 19 opposed. For those who favoured its continuation the reasons centred around the need to ensure there was an effective way to engage and coordinate communities, projects, and funding streams to achieve a set of broad outcomes. 8 of those who were in favour did raise areas that needed to be improved going forward, such as: the communication with customers to raise awareness of the network and the opportunities available; and the integration with other funding streams and initiatives to ensure a holistic hub was available for all rural communities and businesses. For those who responded no, the key reasons was centred around its perceived effectiveness and value for money.