

Knowledge Transfer and Innovation Fund past and present Project Assessment Committee members

Scottish Government PAC members

Gordon Jackson	Gerry Smith	Ross Henderson
Keith McWhinnie	[Redacted]	Eilidh Totten
Martin Morgan	[Redacted]	Helen Duncan
Trudi Sharp [Redacted]	Jennifer Willoughby	Kim Gallagher
Joseph Richie	Steven Allan	Gregor Caldwell [Redacted]
	Ian Davidson [Redacted]	

Scottish Enterprise PAC members

Julian Pace
Jackie Green

Nature Scot PAC members

Kirsty Hutchison
Claudia Rowse

NFUS PAC members

Jonnie Hall
Jenny Brunton

Soil Association PAC members

David Michie
Colleen McCulloch

SAOS PAC members

James Graham
Tim Bailey

**KNOWLEDGE TRANSFER AND INNOVATION FUND (KTIF)
PROJECT ASSESSMENT COMMITTEE (PAC)**

19th PAC Meeting on Tuesday 6th October 2020
Skype Meeting (link in invite)
9.30 am – 11.30 am

Minute

Expected Attendees: (SG unless notes otherwise)

Gordon Jackson (Chair)
Derek Wilson
Jack Dalziel
Duncan Waldman
Gregor Caldwell (RPID)
Steven Allan (ISD)
Kim Gallagher (CC policy)
Joseph Richie (RESAS)
Jenny Brunton (NFUS)
Tim Bailey (SAOS)
David Michie (Soil Association)

Apologies: (SG unless notes otherwise)

Neil Henderson (RESAS)
Keith McWhinnie
Claudia Rowse (NatureScot)
Maira Strange

1. Welcome and introductions

- The chair welcomed attendees and thanked them for dialling in.
- New attendees: Derek (new SRO for KTIF, observing today), Joseph (filling in for Neil Henderson, who's just back from paternity leave) and Kim (replacing Keith in Climate Change Policy).

2. Confirm minutes and actions from PAC 18

- The minute for PAC 18 was attached to the invite, the chair asked if everyone content with the minutes from the last meeting. The PAC did not raise any points and the minute was pass as an accurate reflection of the discussion.
- The chair went through the previous outstanding action points:

ACTION POINT 1: Secretariat to keep PAC members updated on any future KTIF announcements. – **CLOSED – PAC members were given notice of the announcement made by Ms Gougeon on 20 July 2020. Evidence of which is embedded below.**



KTIF Announcement
20 July.msg

ACTION POINT 2: KTIF Secretariat to feedback to the Soil Association and inform them the project will be awarded the grant, pending satisfactory response/action on the points raised by PAC (detailed in emails below). - **CLOSED - the secretariat were satisfied with the applicant's return, including confirmation that VfM will be achieved and the award was granted on 10 June 2020. Email exchanges of which can be found on the PAC 18 minute.**

ACTION POINT 3: KTIF Secretariat to feedback to the SoilEssentials and inform them the PAC decided not to score their application, detailing the reasons captured in the emails below – **CLOSED – The secretariat contacted SoilEssentials on 2 June 2020 and explained why the award wasn't granted (relaying the PAC's comments). Email exchanges of which can be found on the PAC 18 minute.**

ACTION POINT 4: KTIF Secretariat to feedback to SOPA and inform them the project will be awarded the grant, pending satisfactory response/action on the points raised by PAC (detailed in email below). – **CLOSED - the secretariat were satisfied with the applicant's return, including confirmation that VfM will be achieved and the award was granted on 10 June 2020. Email exchanges of which can be found on the PAC 18 minute.**

The chair updated the PAC with the following summary update:

- The KTIF Project Assessment Committee (PAC) has met 18 times and has approved 36 projects with a total value of c£6M.
- In July 2020, The Minister for Rural Affairs and the Environment announced the awarding of approximately £170K given to the three projects the PAC approved at the last meeting.
- In total 9 of the projects supports skills and knowledge transfer (Measure 1.1) and amount to £2.4M of the committed budget. 27 of the projects fall under innovation (Measure 16.1) and amount to £3.6 of the committed budget.
- Current available budget before the PAC today is £170K. The chair informed the group that this figure does fluctuate as projects come to a close and underspend is accrued.
- The projects today were scored under the Knowledge Transfer element of the scheme and therefore fall under measure 1.1.
- Total cost of the 3 projects before PAC 19 today amounts to £67,065.
- Therefore if all projects were approved we will have an underspend of approximately £103K.

The chair mentioned the following points to note before discussing the applications:

- On the back of an audit recommendation we've been asked to clearly establish any conflict of interests (Cols) at the onset of each meeting.

- The chair went around the table and confirmed with each member that, with consideration of each application before them today, if there are any Cols.
- **Conflict of interest (Col) table:**

PAC Member	No Col Declared	Declared Col
Gordon Jackson	No Col	
Gregor Caldwell	No Col	
Steven Allan	No Col	
Kim Gallagher	No Col	
Joseph Richie	No Col	
Jenny Brunton	No Col	
Tim Bailey		Application 1 Col
David Michie		Application 2 Col

- It was agreed that those PAC member who declared a Col will leave the call and will not score the applications where Cols have been declared.
 - The chair confirmed that all applications presented to the PAC have: no in-kind costs, no double funding concerns, all applications have been filled in completely/correctly, the budgets have been submitted in the correct form and VFM concerns have been highlighted to PAC members prior to this meeting. There will be an opportunity to raise any concerns over these points before the PAC score the application. If on further discussion of the application PAC members feel these areas haven't been satisfied, we encourage you to raise that.
 - If projects are approved the costing/finer details must be discussed and approved to the satisfaction of the KTIF Secretariat. The chair to reminded the PAC it is important that value for money (VfM) is scrutinised and agreed on each application. To aid this discussion the secretariat sent VfM concerns to each member prior to the meeting.
 - **Secretariat note:** whilst some VfM concerns were pursued and clarified, there were no in-kind, double funding, or submission issues (signed applications, declared no other support under SRDP etc.).
- (1) **KTIF Application 1:** SAOS – Demystifying Sensor Farming - £39,400 (KTIF 75% contribution £29,550)

Tim Bailey left the call ivo a conflict of interest.

The chair invited comment from each PAC member, the following points were accumulatively raised:

- PAC members were enthusiastic about this application, has the potential to deliver good resource efficiency, collecting data is key to this. It also chimes well with potential future electronic identification tags.

- Member were pleased to see SAOS build on their previous project, the new project has huge potential, clearly been good research done on this technology, seeks to solve current issues and demonstrate solutions.
- Glad to see it the potential involvement of younger and part time farmers.
- It was remarked that this technology will be expensive for typical farmers, possibly an issue for the future.

Value for Money concerns raised by secretariat:

- SAOS should consider and illustrate where the 25% 'other' contribution plays into the proposed budget (eg. an equal share from all categories or certain individual elements).
- Category A – 'Produce 20 on-farm use cases' – There's quite a high number of days. This element is the most expensive in the project, is an appropriate day rate of £600 and are there perhaps too many days?
- Category A – 'Plan and storyboard 4 short video clips' and Category H – 'Outsource Video Production' – Combined this comes to £11,400. Does this price deliver value for money for 4 videos?
- Category A – there's a total of 53 days at the aforementioned day rate. Is this an appropriate number of days?

The PAC confirmed they were content to score, on the condition that SAOS were able to satisfy value for money concerns identified under section 3 of the scoring sheet. The chair invited scores from each PAC member.

Measure 1.1

Score - 23

Focus Area 4

OUTCOME – The application failed under section 3 of the scoring sheet (value for money/reasonableness of costs, scoring less than an average of 3) The application passed in all other categories. The PAC agreed to electronically rescore section 3 if SAOS were prepared to satisfy concerns raised and noted below:

- SAOS should consider and illustrate where the 25% 'other' contribution plays into the proposed budget (eg. an equal share from all categories or certain individual elements).
- Category A – 'Produce 20 on-farm use cases' – The PAC agreed this is quite a high number of days. This element is the most expensive in the project, the £600 day rate was interpreted as a senior member of staff. The PAC did not think such a high costing staff member would be needed over this number of days. Clarification on this point would be appreciated.
- Category A – 'Plan and storyboard 4 short video clips' and Category H – 'Outsource Video Production' – Combined this comes to £11,400. Category A – there's a total of 53 days at the aforementioned day rate. Both the video and number of days was deemed quite high by the PAC. They'd like confirmation over whether these videos are being done in house or if they're being done

externally (if so can SAOS evidence that value for money has been properly scrutinised).

- The PAC would also like some assurance on SmartRural's involvement and their governance arrangements in this project. They noted that SmartRural is a limited company and were concerned that a commercial element was involved in the project. The PAC could like SAOS to clarify the position.

ACTION POINT 1: KTIF secretariat to feedback to SAOS and inform them the project will be awarded the grant, pending satisfactory and response/action on the points raised by the PAC.

Secretariat Note: The above feedback was relayed to SAOS, their response satisfied the PAC's concerns. Section 3 was electronically rescored, passed and the grant was awarded.



FW KTIF - PAC 19 -
Rescoring - Applicat



FW KTIF 037 2020 -
SAOS - Demystifying

(2) KTIF - Application 2: Soil Association - Agroforestry in Action - £39,900 (KTIF 75% contribution £29,925)

David Michie left the call ivo a conflict of interest. Tim Bailey returned to the meeting.

The chair invited comment from each PAC member, the following points were accumulatively raised:

- Forestry is at the top of SG priorities right now and the agroforestry has been difficult to make progress on. The PAC believed this would help change such a binary opinion of agroforestry.
- This project could break the typically sceptical perception of agroforestry.
- Pleased to see the project is clearly linked to policy objectives, incorporated a wide picture including biodiversity and will better inform the sector.

Value for Money concerns raised by secretariat:

- Soil Association should consider and illustrate where the 25% 'other' contribution plays into the proposed budget (eg. an equal share from all categories or certain individual elements).
- Section 2.6 in the application gives details on value for money, which we'd encourage PAC members to consider. Soil Association suggest that staff day rate is at £200. Please consider whether this is value for money.
- Category B – 'Delivery - Agricultural Development Manager' – It appears this position will deliver 52 days of work to this project. Is this an appropriate number of days?
- Category A – 'Digital content creation: production of films, case studies, website content etc' – this cost of an unclear number of digital content comes to £14,500

(inc. staff cost). In comparison the application 1, can we consider both are delivering value for money?

- Category C – ‘Host farmer fee’ – The host farmer is being paid £200, should participants be paid in this circumstance?
Category C – ‘Expert speakers/facilitators’ – Doesn’t appear to be a lot of detail
The PAC confirmed they were content to score, on the condition that the Soil Association were able to satisfy value for money concerns noted above. The chair invited scores from each PAC member.

The PAC confirmed they were content to score, on the condition that the Soil Association were able to satisfy outstanding concerns. The chair invited scores from each PAC member.

Measure 1.1
Focus Area 4

Score - 24

OUTCOME – Approved subject to clarification on points raised by the PAC noted below:

- Soil Association should consider and illustrate where the 25% ‘other’ contribution plays into the proposed budget (eg. an equal share from all categories or certain individual elements).
- Category B – ‘Delivery - Agricultural Development Manager’ – It appears this position will deliver 52 days of work to this project. This is quite a considerable number of days. The PAC would like to ask the Soil Association to consider their thoughts on this.
- Category A – ‘Digital content creation: production of films, case studies, website content etc’ – this cost of an unclear number of digital content comes to £14,500 (inc. staff cost). The PAC would like to see a greater breakdown of this cost.
- Category C – ‘Host farmer fee’ – The host farmer is being paid £200. The PAC are not entirely comfortable paying participant fees. Could the Soil Association consider this position and if applicable offer more detail on this cost.
- Category C – ‘Expert speakers/facilitators’ – Doesn’t appear to be a lot of detail on these speakers/facilitators. At £2000, the PAC would appreciate a greater breakdown of this cost.

ACTION POINT 2: KTIF secretariat to feedback to Soil Association and inform them the project will be awarded the grant, pending satisfactory and response/action on the points raised by the PAC.

Secretariat note: The above feedback was relayed to Soil Association, their response satisfied the PAC’s concerns and the grant was awarded.



The chair adjourned the meeting for a 5 minute break.

(3) KTIF - Application 3: NFFN - Bringing Biodiversity Back - £10,120
(KTIF 75% contribution £7,590)

David Michie returned to the meeting.

The chair invited comment from each PAC member, the following points were accumulatively raised:

- NFFN appears to be a limited private company and as such there could be further considerations over whether they're eligible for funding.
- Seems to be little by means of a contingency plan if covid-19 restrictions tighten.
- The PAC thought this was a good project but lack some detail. Precise species etc. would have been interesting to know.
- The NFFN are starting to get good traction and are certainly being increasingly recognised. In saying that there was confusion over what they were trying to achieve.
- The PAC were encouraged to see a bottom up approach but not sure what the priorities/benefits are.

Value for Money concerns raised by secretariat:

- NFFN should consider and illustrate where the 25% 'other' contribution plays into the proposed budget (eg. an equal share from all categories or certain individual elements).
- Category A – Do the various day rates in column G deliver value for money (highest appears to be £155/day)?
- Category E – 'Film Costs' – appears to be a single film costing £3,600.
- Category D – 'T&S for speakers/ facilitators / Catering costs and travel' – at £1000 does this seem reasonable considering we're under Covid-19 restrictions for the foreseeable future?
- If approved the secretariat will need to ensure NFFN have correctly understood the budget categories and completed the budget spreadsheet template correctly.

The PAC confirmed they were content to score, on the condition that NFFN were able to satisfy outstanding concerns. The chair invited scores from each PAC member.

Measure 1.1
Focus Area 4

Score - 19

OUTCOME – Approved subject to clarification on points raised by the PAC noted below:

- NFFN should consider and illustrate where the 25% 'other' contribution plays into the proposed budget (eg. an equal share from all categories or certain individual elements).
- The PAC would like assurance that farmer/crofters are not being paid a participants' fee. If so an explanation on the circumstances and their experience would be appreciated.
- NFFN appears to be a limited private company and as such there could be further considerations over whether they're eligible for funding. Could NFFN confirm the company's status and any other governance arrangements the PAC should consider.
- Seems to be little by means of a contingency plan if covid-19 restrictions tighten. Can you reassure the PAC, by means of some sort of plan, if restrictions do tighten.
- The PAC thought this was a good project but lacked some detail. Precise species etc. would have been interesting to know.
- The NFFN are starting to get good traction and are certainly being increasingly recognised. The PAC were encouraged to see a bottom up approach but not sure what the priorities/benefits are. There was confusion over what they were trying to achieve. The PAC would appreciate some more clarity on these aspects.

ACTION POINT 3: KTIF secretariat to feedback to NFFN and inform them the project will be awarded the grant, pending satisfactory and response/action on the points raised by the PAC.

Secretariat note: PAC feedback relayed to NFFN. After discussions with the secretariat, NFFN and their operational group members, the lead facilitating body was changed to the RSPB in view of their non profit status. The lead facilitating bodies were updated in a revised application. The grant was subsequently awarded.



RE KTIF Application
Catch up.msg



KTIF 039 2020 RSPB
Bringing Biodiversit

The chair kindly ask all attendees that what has been discussed today should be kept confidential. In the interest of keeping a fair and proper process, please leave all updates to applicants etc. for the secretariat to action.

4. Next Steps

- The chair noted that the secretariat suspects this is will likely be the last round of applications we can assess, because of the March 21 time constraint and the uncertainty over funding/future of KTIF once we've exited the EU.
- Officials are doing a lot of work around the continuation of KTIF or a similar replacement post 2020/21.

- It's officials' intention to continue the scheme with improvements but this is very much in limbo. Secretariat will keep the PAC updated as the picture becomes clearer.

5. AoB

- The Chair opened the floor for any other business, no other business was raised.
- The chair on behalf of the SG and the KTIF team thanked all members for their time and hard work over the years. Their contribution has been invaluable and officials look forward to working with the members in near the future.

**Jack Dalziel
KTIF Secretariat
Agriculture Policy Division
October 2020**

PROJECT ASSESSMENT COMMITTEE (PAC) FOR THE KNOWLEDGE TRANSFER AND INNOVATION FUND

Membership and Terms of Reference (ToR)

Background

The Knowledge Transfer and Innovation Fund (KTIF) under the Scottish Rural Development Programme (SRDP) 2014-2020 projects concluded on the 31 March 2021.

The Scottish Government's [Stability and Simplicity Consultation](#) was published in June 2018 and this concluded that there would be a period of stability and continuity of support until 2024. This means that the Scottish Government will continue to support delivery of [EU rural priorities under KTIF](#).

KTIF will broadly roll forward as is from the SRDP 2014-2020 under Scottish Government funding only and building in a greater focus on climate change and the biodiversity crisis.

These ToR will be updated as required going forward. If a member has any questions regarding the ToR at any point please contact KTIF@gov.scot.

This scheme **has two main aims:**

Knowledge Transfer Component:

The first is to promote skills development and knowledge transfer in the primary agricultural sector.

This will be achieved through providing funding to organisations to deliver vocational training, coaching, workshops, courses and farm/croft/forest visits designed to develop skills and transfer knowledge.

Innovation Component:

The second aim is to deliver innovation on-the-ground improvements in agricultural competitiveness, resource efficiency, environmental performance and sustainability.

This will be achieved through meeting the running costs of operational groups seeking to implement innovative projects in these areas. Operational groups can be made up of different individuals or organisations within agriculture who are working collaboratively.

This helps form partnerships between farmers, crofters, land managers, NGOs, advisers and businesses working on the ground.

These operational groups are expected to generate new insights and innovative ideas, as well as mobilising existing knowledge into practical solutions.

The schemes **main focus** is on **agriculture** in the areas of

- promoting resource efficiency and supporting the shift toward a low-carbon and climate resilient economy in the agriculture, food and forestry sectors;
- restoring, preserving and enhancing ecosystems related to agriculture and forestry.

This will help Scotland take advantage of its strong performance in research and development and make sure that the learning from here and elsewhere can be transferred to on-the-ground improvements in agriculture.

Scheme aims and objectives

The scheme's aims are cross cutting and contribute to the following [European Union Rural Development Regulation objectives](#):

- fostering knowledge transfer and innovation in agriculture, forestry and rural areas;
- enhancing the viability and competitiveness of all types of agriculture, and promoting innovative farm technologies and sustainable forest management;
- promoting food chain organisation, animal welfare and risk management in agriculture;
- promoting resource efficiency and supporting the shift toward a low-carbon and climate resilient economy in the agriculture, food and forestry sectors;
- restoring, preserving and enhancing ecosystems related to agriculture and forestry.

This includes fostering innovation, cooperation and the development of the knowledge base in rural areas; strengthening the links between agriculture, food production and innovation (including for the purpose of improving environmental management and performance) and fostering lifelong learning and vocational training in agriculture.

Further details of European Union priorities can be found at **Annex A**

Eligible projects

Projects can be considered for support under the Scheme if they meet all of the following criteria:

Knowledge Transfer Actions

Projects that promote vocational training and skills development in the form of workshops, training courses, coaching, demonstration activities, information actions and farm visits.

Examples include:

- projects to help agriculture/forestry businesses adapt to climate change;
- projects to help equip new entrants to farming with the right business skills and help with succession planning;
- projects to provide farmers, crofters and land managers with the knowledge and skills to adopt precision farming technology;
- projects to establish business improvement groups for various livestock sectors;
- projects to enhance crofting skills.

Innovation Actions

The KTIF grant scheme is designed to support demonstration or benchmarking and similar types of innovative projects. For example, projects and co-operation projects that aim to introduce innovative approaches to agricultural and land management practice.

The types of projects that are supported in this area are:

- the operation of Operational Groups to implement projects that aim to introduce new processes and utilise new technologies and techniques in the agricultural sector, which in turn are expected to deliver improved productivity and/or sustainability;
- operational groups that aim to test out new ideas through projects which adapt existing techniques/practices to new geographical/environmental contexts;
- operations that strengthen the links between agriculture, research and innovation by applying research findings to agricultural projects, testing viability and evaluating the degree to which productivity and/or sustainability benefits can be achieved.

Grant funding does not extend to support for purchase of capital equipment or fixed assets that would have an extended use beyond the duration of the supported project or initiative.

Project costs

Grant assistance will be based on actual costs involved.

Firstly in relation to projects which promote vocational training and skills development support offered through this measure will include:

- training courses;
- workshops;
- coaching;
- demonstration activities;
- information actions;
- benchmarking;
- farm/croft/forest visits;
- projects that aim to deliver innovative approaches.

Eligible costs will include the cost of organising, delivering and implementing projects. The following project cost may be supported:

- development costs;
- fees travel and subsistence cost of training providers;
- event hosting cost (including venue and catering hire);
- project management costs;
- essential course material;
- publicity;
- other necessary costs required for the successful delivery of the project.

Secondly, in relation to innovative projects support will be provided for operational groups working in co-operation in the delivery of new and innovative projects (including pilot projects).

Eligible costs will fall mainly under the running costs of the cooperative project and on direct costs of specific projects linked to detailed approved plans.

The co-operation measure can cover five types of cost:

- studies/plans – studies of the area concerned and the drawing up of business plans;
- animation – this essentially covers the recruitment of participants in a project and networking between them required to define a project adequately and get it off the ground;
- running costs of the co-operation – the running costs in question are not all running costs of the projects, but rather the running costs arising from the act of co-operation. An example would be the salary of a co-ordinator;
- direct costs of specific planned projects – are direct costs which arise directly from the activities of the project rather than from preparatory studies, animation or on-going coordination. This would be specifically targeted to projects focused on innovation;
- promotion – this overlaps somewhat with the category above and refers to direct costs arising from promotional activities.

Ineligible costs:

The Scheme does not permit funding for normal education programmes at further or higher levels.

Funding support cannot be provided for projects or activities that are already taking place and would normally be expected to occur without grant assistance.

In relation to vocational training and skills development in the form of workshops, training courses, coaching, information actions and farm visits events, the below costs shall **not** be considered eligible for grant support:

- travel for participants;
- accommodation for participants;
- daily expense for participants;
- alcohol or prizes;
- project which are receiving other SG funding for the same outputs (double funding).

Eligible bodies

Knowledge Transfer Actions:

Public and private sector organisations or bodies that deliver knowledge transfer, skills development and/or information actions to the benefit of those engaged in agricultural and rural land management are eligible

Some examples of eligible bodies are:

- an agricultural levy body;
- an enterprise company;
- a non-profit organisation.

It will be important that eligible bodies demonstrate that delivery agents have the appropriate capacity in terms of knowledge, skills, experience and, where appropriate, qualifications.

As successful delivery of the actions/measures will depend upon, and be driven by, grant funded industry led proposals covering a range of topics and spanning different priorities and/or focus areas for rural development, different projects will have different capacity requirements.

It will be incumbent on applicants to demonstrate that delivery agents have the appropriate knowledge, skills and experience to deliver the project successfully.

For instance, an action involving a farmer demonstrating a particular farming method to other farmers during a pre-arranged farm visit might not need any formal qualifications at all.

Instead they might be expected to provide evidence that they have the appropriate knowledge, skills and length of experience to demonstrate the methodology to others.

On the other hand, a delivery agent providing tuition, in a classroom setting, to recipients on the environmental impact and adverse effect on habitats resulting from the improper use of herbicides or pesticides may require formal qualifications and be required to demonstrate an appropriate level of continued professional development through a professional body and/or training.

Innovations Actions:

Collaborative projects involving public and/or private sector organisations or bodies involved in the delivery of innovative projects (including pilot projects) designed to benefit the sustainability of the agricultural and land management sectors are eligible to apply.

Such collaborations (or “Operational Groups”) might, for example, include farmers, researchers, consultants, facilitators, advisers, NGOs and businesses involved in the agriculture and food sector working collectively on a project.

The lead party of the operational group or co-operation project should have a proven track record in delivering similar projects in agriculture.

With the exception of projects in support of innovative actions i.e. knowledge transfer and skills development projects (see *Innovation* above), an important principle is that the applicant body should not directly benefit, either financially or in-kind from the project.

Level of support

The grant rate for Knowledge Transfer and Skills Development proposals will be 75 per cent of eligible costs.

In relation to innovation projects that introduce new practices, processes and technologies that aim to deliver benefits to the wider agricultural community, the grant rate will be 100 per cent of eligible costs.

Establishment and membership of the PAC

The purpose of the PAC for KTIF is to provide a forum to assess applications for assistance. It also provides a forum for monitoring the operation of the Scheme and considering whether any changes should be introduced.

The Secretariat will confirm when funding windows are scheduled and organise applications, scoring forms etc. to reach PAC members in advance of PAC meeting dates. The Secretariat will aim to get papers to members two weeks in advance. Due to resource this might always be possible.

The PAC will be chaired by the Head of Agriculture Transformation in Productivity Branch, Agriculture Policy Division, which is responsible for overall policy and management of the Scheme.

A member of the Agriculture Transformation for Environment and Climate Change from the Agriculture Policy Division will be a PAC member. It will also include representatives from other parts of the Scottish Government, including Rural Payments and Inspections Directorate (RPID), Information Systems Division (ISD), Rural and Environment Science and Analytical Service Division (RESAS) and NatureScot.

The PAC will also include external representative from SAOS, Soil Association (Scotland), National Farmers' Union (Scotland) and Scottish Enterprise on a permanent basis. All of the aforementioned PAC members will have the right to score a KTIF application.

Where appropriate, additional expertise or knowledge will be sought from other areas of Government and related bodies on a case-by-case basis.

Other members of the Agriculture Transformation in Productivity Branch will attend to provide Secretariat support (responsibilities include organising: funding windows, publicising these windows, PAC meetings, minutes, agenda, governance of the Scheme, grant awards, payments, on-going monitoring requirements, supporting applicants, stakeholders and PAC members, etc.).

Terms of Reference

The terms of reference of this PAC are:

- (a) to consider and determine applications for assistance under KITF, including the level of grant and any conditions to be imposed; and
- (b) to monitor operation of the Scheme and consider any adjustments needed to achieve its objectives more effectively.

Rules of Procedure

The PAC may operate by face to face meetings or by electronic or other means of communication. A meeting may be convened by the Chair acting on their own initiative or at the request of a permanent member of the PAC.

Meetings should normally be held at least once every six months, depending on the number of applications, budgets, the Scottish Parliament timetable and other issues to be considered by the PAC and Secretariat. Where appropriate, for example to provide a timely response or to deal with an urgent matter, the PAC may operate other than by a face to face meeting.

Where appropriate or necessary, the PAC may call upon the advice of non-members.

We would kindly ask that if PAC members cannot attend, a deputy should be nominated in their place.

The PAC should aim to determine each application within 3 months of its receipt by the Secretariat.

The Secretariat will record the decisions and key considerations in each case and maintain, and provide at each meeting, appropriate records of all cases received and decisions made.

Decisions on applications will, wherever possible, be taken by consensus, as will any recommendations for amendments to the Scheme.

At the beginning of each meeting the Secretariat will ask PAC members to declare any Conflict of Interest (Col) before continuing. It is imperative for the integrity of the Committee that each member considers and declares any Col at this point. Members with Col will be asked to leave the meeting and not score the application in question.

Terms of engagement

Each member of the PAC will bring their own experience to discussions. It is expected that all members will be mindful of the different approaches each member may have, listen carefully to understand, and be tolerant of different views and perspectives, even if they do not agree with them. It is expected that members will treat each other, and officials providing support to the PAC, with respect, courtesy and dignity at all times, both in, and out with PAC meetings.

Discussions will be held under Chatham House rules which allows for members to reference discussions out with the PAC and its membership, but not to attribute any aspect to an individual.

Remuneration

Membership of the KTIF PAC is on a voluntary basis. Members will not receive any remuneration for participation.

Scoring Criteria

Each PAC member shall undertake a prior independent assessment of project proposals and shall assess and score each project as follows:

0 – The proposal fails to address the criterion or cannot be assessed due to missing or incomplete information.

*1 – **Poor.** The criterion is inadequately addressed, or there are serious inherent weaknesses.*

*2 – **Fair.** The proposal broadly addresses the criterion, but a number of shortcomings are present.*

3 – **Good.** *The proposal addresses the criterion well, with any shortcomings being minor or inconsequential.*

4 – **Very good.** *The proposal addresses the criterion very well.*

PAC members shall complete scoring sheets and bring these to the PAC meeting. Following PAC discussion, and taking account of individual assessments, a singular consolidated assessment sheet shall be completed for each project.

Projects that score 0, 1 or 2 against any criterion shall be rejected and projects scoring 3 or above shall be prioritised within budgetary constraints.

Any projects that pass (score 3 or above for each criterion) but are deselected due to prioritisation shall be held over until the next funding round.

Applicants will be given the opportunity to improve/fine tune any project proposals that are held over.

The assessment criteria are:

1. Degree to which the project proposals will contribute to one or more of the undernoted objectives:
 - a. Enhancing competitiveness and enhancing viability in agriculture.
 - b. Restoring, preserving and enhancing biodiversity and ecosystems dependant on agriculture.
 - c. Improving water and/or soil management.
 - d. Pollution prevention and control.
 - e. Promoting resource efficiency and supporting a shift towards a low carbon and climate resilient economy in agriculture.
2. Degree to which the project outcome(s) will contribute towards fostering skills and knowledge transfer in the wider agricultural community and innovation
3. Reasonableness of costs – encompassing assessment of both the necessity of cost components and magnitude of cost components.
4. Affordability relative to available budget.
5. Durability of benefits post project.
6. Governance arrangements and ability to deliver the project successfully.

Please see **Annex B** for additional application assessment criteria.

PAC members can agree to provisionally score an application and charge the Secretariat to ensure feedback, changes and conditions demanded by the PAC are met by the applicant. If the Secretariat can broker these changes, the Secretariat will award the grant award and inform the PAC by electronic means.

PAC Members

Membership of the PAC have been appointed to provide the necessary breadth of expertise and knowledge required to take this work forward.

Chairperson

Gordon Jackson Scottish Government

SG Members

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Tim Bailey	SAOS
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David Michie	NFUS
David McKay	Soil Association Scotland

Agriculture Transformation in Productivity
Agriculture Policy Division
Oct 2021

Annex A

European Union priorities for rural development

(1) fostering knowledge transfer and innovation in agriculture, forestry, and rural areas with a focus on the following areas:

- (a) fostering innovation and the knowledge base in rural areas;
- (b) strengthening the links between agriculture and forestry and research and innovation;
- (c) fostering lifelong learning and vocational training in the agricultural and forestry sectors.

(2) enhancing the viability and competitiveness of all types of agriculture, and promoting innovative farm technologies and sustainable forest management, with a focus on the following areas:

- (a) facilitating restructuring of farms facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in particular sectors and farms in need of agricultural diversification;
- (b) facilitating generational renewal in the agricultural sector.

(3) promoting food chain organisation and risk management in agriculture, with a focus on the following areas:

- (a) better integrating primary producers into the food chain through quality schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations;
- (b) supporting farm risk management.

(4) promoting resource efficiency and supporting the shift toward a low-carbon and climate resilient economy in the agriculture, food and forestry sectors, with a focus on the following areas:

- (a) restoring and preserving biodiversity, including in Natura 2000 areas and high nature value farming, and the state of European landscapes;
- (b) improving water management;
- (c) improving soil management.

(5) restoring, preserving and enhancing ecosystems related to agriculture and forestry, with a focus on the following areas:

- (a) increasing efficiency in water use by agriculture;
- (b) increasing efficiency in energy use in agriculture and food processing;
- (c) facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for purposes of the bio-economy;
- (d) reducing nitrous oxide and methane emissions from agriculture;
- (e) fostering carbon sequestration in agriculture and forestry.

Annex B

Application Selection Criteria

The below should help to inform the scoring of a KTIF application and should be borne in mind when assessing applications for KTIF support.

Feasibility and the degree to which the viability and long-term benefits of the project can be demonstrated:

This is an assessment of whether the project can be successfully completed within the specified timescales, to the agreed standards, and that payment will be realistically claimed within the defined timescales.

Value for money:

Value for money is based not only on the minimum purchase price (economy) but also on the maximum efficiency and effectiveness of the purchase.

It not only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource use, fitness for purpose, timeliness, and convenience to judge whether or not, together, they constitute good value.

Achieving value for money is also often described in terms of the 'three Es' - economy, efficiency and effectiveness.

Follow the Scottish Government Best Value Theme ensuring each project and their costings consider the following:

1. Vision and Leadership – showing a sound governance at a strategic and operational level.
2. Effective Partnerships – showing joint working across the industry.
3. Governance and Accountability – has demonstrated commitment, accountability and leadership.
4. Use of Resources – has demonstrated effectiveness, efficiency, risk awareness and make evidence based decisions on the use of all the resources available.

The two cross-cutting themes which a Best Value organisation should fully embrace across all of its activities are:

- Equality (*Equal Opportunities arrangements*); and
- Sustainability (*A Contribution to Sustainable Development*).

Specifically value for money will be judged according to what extent:

- a) the costs listed are reasonable against benchmarked costs and deliverable.

- b) the costs of the project are proportionate to the expected outcome.
- c) creative methods are used to minimise costs where possible.
- d) assess and confirm the affordability relative to available budget.
- e) reasonableness of costs – encompassing assessment of both the necessity of cost components and magnitude of cost components.
- f) assess value of bids by comparing them to previous and other current projects.

If we are satisfied that the spend is an effective way to implement/deliver policy at the lowest costs with the greatest impact then we have Value for Money.

Some examples of **not being** VFM within projects:

- Accommodation/travel – requests for excessive accommodation/travel for events in the central belt from localised establishments, excessive costs on subsistence, (excess travel /accommodation to enable participation for the Highlands, Islands, D&G for events in Central Belt would be considered acceptable VFM generally).
- Lack of progress or impact in relation to intended outcomes.
- Participant time to attend events.

Specific to proposal:

- Lack of deliverables in proposal.

Lack of sustainability in proposal

Types of projects:

Giving recognition to the scope and magnitude of anticipated benefits, such as landscape/ecosystem scale projects, requiring grant assistance. Co-operation type projects will be preferred as well as projects promoting innovation.

Targeting:

Identifying applications which will deliver the intended outcome most effectively.

Delivery experience:

Applicants need to have a track record and be experienced in delivery.

Long-term benefits:

Will the project deliver outcomes beyond the period of funding?

Affordability:

Having regard to budget provision i.e. the level of grant required (grant will be the minimum necessary for the project to proceed).

Contributory funding:

The contributions being made by the other bodies involved (for knowledge transfer and skills development projects only).

Industry buy-in:

The level of industry buy-in, such as funding or other resources contributed by participants or industry bodies.

END