

**Summary of SRDP 2014-2020 Evaluations:  
Working Document Submitted to RDOC to  
Review SRDP 2014-2020 Evaluation  
Progress as of May 2020 findings of the  
SRDP evaluations completed by May 2020.**



**Scottish Rural  
Development  
Programme**

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## Executive Summary

- A substantial number of schemes have been evaluated to date, equivalent to approximately £850 million of the £1.2 Scottish Rural Development Programme (SRDP) 2014-2020 billion budget, or around 70%.
- Some of these evaluations, while completed, have not yet been published, including the second of two LEADER<sup>1</sup> evaluations and the Scottish Rural Network (SRN) evaluation. Some evaluations are currently in development, such as the evaluation of the Agri-Environment Climate Scheme. However, preliminary findings are in some cases referred to.
- This section reviews the main findings from the scheme specific evaluations, before discussing a number of broader conclusions based on the data that is available so far.

### Specific Scheme Findings

- **Less Favoured Area Support Scheme:**  
This scheme provides direct payments to livestock farmers and crofters that are awarded on the basis that their land meets the criteria of being in a 'less favoured area' that is at least three hectares and is actively being farmed. Payments are calculated based on a range of factors, including historic livestock values and stocking density and are claimed annually as part of the Single Application Form. Overall, the evaluation of this scheme observes that decoupled payments have a limited effect on land management, that land abandonment has happened despite the scheme and that it is difficult to identify the impact of the scheme on farm profitability. Going forward, other mechanisms should potentially be considered.
- **Food Processing Manufacturing and Co-operation Scheme:**  
While impacts and relative costs vary depending on the sector in question – i.e. jobs supported in the meat sectors relative to the alcohol sector - the fund has had a positive impact, and contributed to business development and the safeguarding of jobs in the food-processing context. Concerns expressed in the evaluation related to the advantages of larger businesses/applicants who applied more than once, compared to smaller businesses and the intention that the scheme operate as a fund of 'last resort'. The complexity of the application process and the challenges raised by this were also raised.

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<sup>1</sup> LEADER - Liaison entre actions de développement de l'économie rurale – is an EU funded rural grant programme designed to support local businesses

- **Farm Advisory Service - One to One:**

This service provides farmers who request it with personalised advice about how to manage their business more effectively and manage their carbon contribution effectively. The evaluation found that the service has positive feedback and has been associated with some benefits for those taking up the advice. Approximately a third of respondents for all reports (34%) said that they were very or somewhat unlikely to have taken the actions without the support of the FAS. This was similar across support types.

- **LEADER:**

Support remains for the bottom-up approach to LEADER and there was evidence for the impact of their projects. However, the process evaluation emphasised there might be a benefit, going forward, of distinguishing between small, medium and large funding requests, and having a process that reflects this, and to consider providing some grants up front rather than being available for a retrospective claim. There were also concerns from participants about the complexity and speed of the funding process.

- The remainder of the evaluations are either awaiting publication or are in development at this time.

## Overall Findings

The evaluations have broadly found that the schemes have had positive benefits. However, from both the published and unpublished evaluations, a number of consistent themes for improvement have been identified. There are also broader questions – for example, does the historic structure of the RDP continue to best serve the needs of rural Scotland, or are there alternatives? – these will require further examination at a later date.

- **Process:** Many evaluations make reference to the perceived complexity of the application process. It is worth exploring what can be done to address this and the corresponding effect on who is able to access funding. A specific concern here is whether complex funding arrangements are likely to favour larger, more sophisticated companies/organisations at the expense of smaller and less sophisticated ones. User research may be valuable going forward to address concerns here.
- **Intervention Logic:** There are important questions regarding which policy goals are best addressed through voluntary advice and incentives, and which are best addressed through other policy approaches. For instance, while there are certainly benefits to providing advice to farmers on the possibilities for improving a farm's environmental impact, voluntary adoption of the advice given is unlikely to be universal.
- **Monitoring and Evaluation:** The quality and nature of the available data is a consistent concern. Many of the schemes are focussed on processes, rather than specific outcomes, which makes them difficult to assess against external goals or in

terms of their effectiveness compared to other methods. While, for example, LEADER has criteria by which applications are judged, the mechanism for assessing the overall impact of the projects – and, crucially, whether this could have been achieved more effectively through another mechanism – are difficult to answer. This may limit the scope for institutional learning and policy development.

# 1: Introduction and Overview

This short report provides an overview of the current SRDP evaluations. First, it provides an overview of the RDP as a whole, noting the terms of reference for the Programme and budgets. Second, it provides a brief discussion of the completed evaluations, with short descriptions of the primary findings. Third, it reviews the three evaluations currently in progress, outlining the methods, goals and timelines of these projects. Fourth, it makes note of the two remaining parts of the programme that require evaluation in future. Finally, it draws together some common themes from the evaluations discussed and raises some key questions that an overall SRDP evaluation should consider.

## Terms of Reference for the SRDP

The Scottish Rural Development Programme (SRDP) 2014-2020 is a major Scottish Government initiative to effectively deploy European funding related to agriculture and rural development. The budget is discussed in the next section. The SRDP website states that:

“The Scottish Rural Development Programme (SRDP) channels millions of pounds into the rural economy.

It will help create vibrant rural communities, protect and enhance our environment, support rural businesses, and help the farming industry to grow and modernise.

Funding is used for a diverse range of projects by individuals, businesses and groups through grant schemes. Full details of the schemes and support available through the new Scottish Rural Development Programme can be found in our schemes section, along with information on Pillar One Direct Payments.”

The SRDP’s goals, in broad terms, are established at a European level. The priorities for European rural development in this period have been outlined by the Commission as follows:

“The purpose of the European Agricultural Fund for Rural Development (EAFRD) is to contribute to the implementation of the Europe 2020 Strategy (the EU strategy for growth and jobs) by promoting sustainable rural development.

The Commission has established three overarching priorities for rural development policy:

1. Fostering agricultural competitiveness;
2. Ensuring sustainable management of natural resources and climate action;
3. Achieving balanced territorial development of rural economies and communities, including the creation and maintenance of employment.

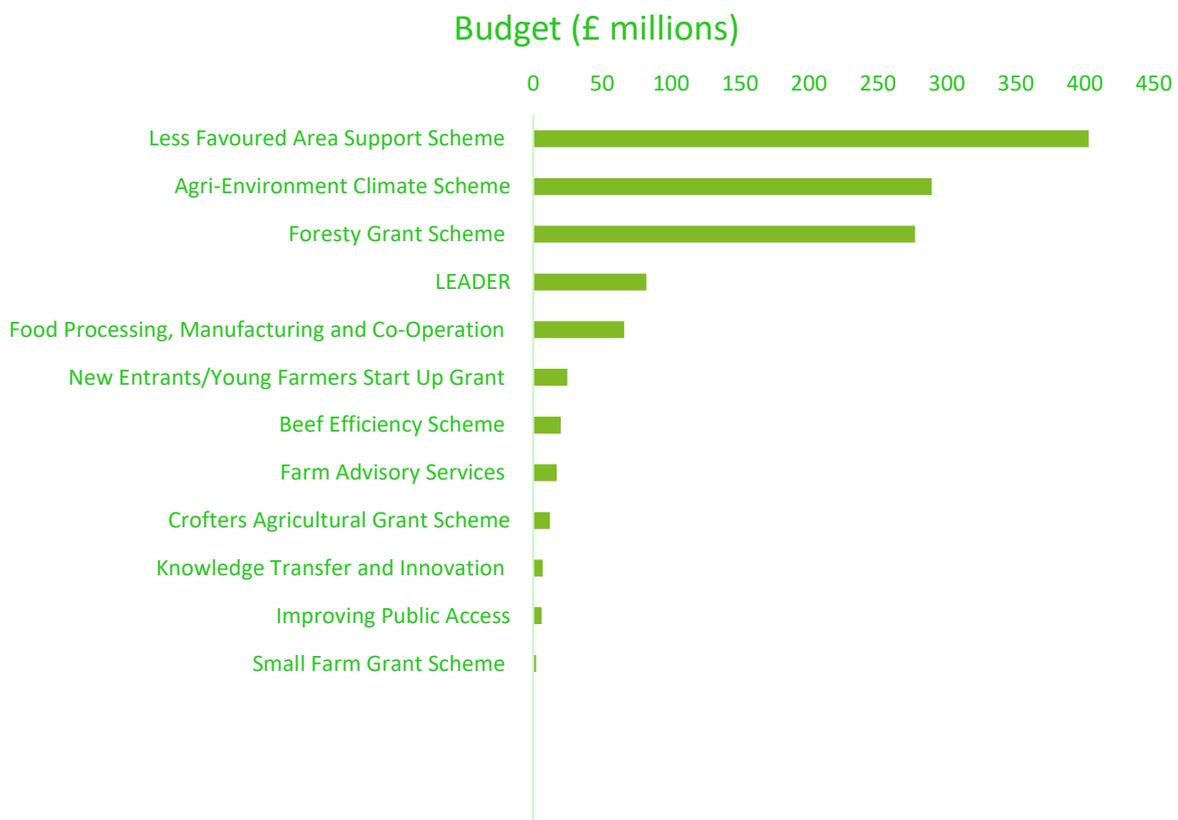
Those main objectives translate into the following six EU priorities for rural development policy:

1. Fostering knowledge transfer in agriculture, forestry and rural areas;
2. Enhancing the competitiveness of all types of agriculture and enhancing farm viability;
3. Promoting food chain organisation and risk management in agriculture;
4. Restoring, preserving and enhancing ecosystems dependent on agriculture and forestry;
5. Promoting resource efficiency and supporting the shift toward a low-carbon and climate-resilient economy in the agriculture, food and forestry sectors;
6. Promoting social inclusion, poverty reduction and economic development in rural areas. “

As this makes clear, there is a strong emphasis within Pillar 2 on agriculture alongside ecological, economic and social goals in rural contexts. For our purposes, it is worth clarifying that ‘agriculture’ cannot be thought of as synonymous with the ‘rural economy’. In 2018, agriculture accounted for 5% of Gross Value Added (GVA) in local authorities classed as ‘mainly rural’ by the RESAS Classification, and 1.6% of the overall Scottish economy. More information on the RESAS Classification can be found in the [Understanding the Scottish Rural Economy](#) research paper.

## Overview of the SRDP Budget

The overall budget of the SRDP 2014-2020 is currently £1.2 billion (noting that it is dependent upon exchange rates and availability of SG co-financing and spend can continue until the end of 2023).



The overall budget is highly concentrated in three schemes, the current budgets of which are a combined £969 million, or 79% of the total budget. These three schemes are the Less Favoured Area Support Scheme (£403 million), the Agri-Environment Climate Scheme (£289 million) and the Forestry Grant Scheme (£277 million).

## 2: Completed Evaluations

### Less Favoured Area Support Scheme (LFASS)

**Budget:** £403 million

**Goal:** The LFASS provides income support to farming businesses in remote and constrained rural areas. According to the SRDP website, its funding is used to:

- allow farmers and crofters to continue to operate as viable businesses;
- avoid the risk of land abandonment;
- help maintain the countryside by ensuring continued agricultural land use; and,
- maintain and promote sustainable farming systems.

An evaluation of LFASS was published in 2016. LFASS provides direct payments to livestock farmers and crofters that are awarded on the basis that their land meets the criteria of being in a 'less favoured area' that is at least three hectares and is actively being farmed. Around 85% of agricultural land in Scotland is classed as a 'less favoured area' (LFA). Participants must also meet two sets of requirements:

- Statutory Management Requirements (SMRs)
- Good Agricultural and Environmental Conditions (GAECs)

### *Key Evaluation Findings*

This section considers the findings of the annual monitoring and evaluation reports produced by the SRDP. The 2016 evaluation is considered next.

- The SRDP Enhanced Annual Implementation Report (EAIR) from 2018 notes the view of a crofting stakeholder that LFASS allows crofts to survive, meaning that without it crofts would be likely to struggle. However, in the view of this stakeholder, the money was often being misdirected to better land.
- When preparing for evaluation in 2019 for the 2018 EAIR, it was clarified that there is not specific data to demonstrate the impact of LFASS on biodiversity.
- The 2016 EAIR of the SRDP found that "LFASS, in providing income support, will enhance the economic viability of individual farms, although at the sector level it may act to prevent restructuring by keeping farms which would otherwise not be economically viable in business." The report goes on to observe that: "Given the substantial proportion of overall resources devoted to this scheme (one-third of the total of the SRDP), it is recommended that the Scottish Government consider whether land abandonment would follow in its absence and the extent to which the scheme provides value for money compared to alternative mechanisms to improve economic viability and deliver environmental benefits."

The 2016 LFASS evaluation, published by RESAS, raises a number of issues about the impacts of LFASS, including:

- Data indicates that land abandonment may be ongoing. The evaluation notes that: “In spite of a significant boost in LFASS payments between 2007 and 2013 and expectations of even more significant BPS payments increases in the next few years, attritional reduction in farming intensity has taken place on many livestock farms on poorer quality land, more especially in the north and west.”
- As farm payments are complex and area based, payments to less intensive farms may come at the expense of payments to more extensive systems.
- Farms vary widely in terms of efficiency. While many farm enterprises would not be sustainable without LFASS, it is important to distinguish between different businesses here. In general, it is difficult to demonstrate the effects of LFASS on farm viability: while enterprises in the LFA are, on average, unprofitable, business and household viability is influenced by other income sources and LFASS is less important, on average, than these sources of income. Other sources of agricultural support are also relevant.
- The evaluation notes that “decoupled”<sup>2</sup> payments are at best a weak and blunt tool for influencing land management in ways likely to deliver on the stated policy objectives. Specifically, by imposing only weak conditionality on how land is managed, LFA/ANC policy has little leverage on the occurrence or intensity of management activities or their knock-on effects with respect to production, retaining jobs and skills or delivering environmental benefits.”
- The evaluation also observes that bio-physical constraints are insufficient for calculating the appropriate support for a farm business, as many factor impinge on this. The report states: “Moreover, a focus on biophysical constraints alone is insufficient to calculate the “appropriate level of support” through additional cost/income foregone calculations.”
- Finally, the evaluation notes that: “Ultimately, if the European Commission’s rules around Areas of Natural Constraint (ANCs) do not permit the degree of targeting and conditionality required to address specific policy objectives and redistribution is unavoidable anyway, it may be that other policy instruments available under both Pillars of the CAP would be more suitable and that at least a proportion of funding currently directed through LFASS could be better deployed in other ways. Sustainable rural development is unlikely to be secured through denial of the pressures for structural adjustments and continuation of the existing approach.”

## Food Processing, Marketing and Co-Operation (FPMC) Scheme

**Budget:** £66 million overall.

**Goal:** The Food Processing, Marketing and Co-Operation (FPMC) grant scheme aims to support the development of food and drink processing businesses throughout Scotland by partially funding capital and non-capital projects.

*Key Evaluation Findings:*

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<sup>2</sup> ‘Decoupled’ in this context refers to payments that are not linked to production.

- The evaluation states that: “The evidence gathered for this evaluation found strong support for the continuation of FPMC. The scheme has been demonstrably valuable to many businesses and fulfils important purposes not covered by any other single scheme available.”
- It was also perceived that the application process was straightforward and that the committee functioned well.
- FPMC has safeguarded/created around 6,020 jobs, adjusting for projects that only went ahead due to the fund.
- It appears that around 16% of the safeguarded jobs were seasonal, and less than 10% of the created jobs were seasonal.
- The cost here is around £12,514 per job. However, because alcohol industry jobs cost £33,192, the average is pulled up by this.
- The evaluation also noted that, despite being intended as a last resort grant, a high proportion of successful applicants benefitted from multiple awards. Applicants using the scheme as a last resort were, on the whole, less successful.
- There was also concern that large businesses are able to access the grant more effectively than small ones owing to agents and greater resources. There was a general feeling that agents could support businesses to have a disproportionate level of success with the grant, as they are familiar with the system and how best to portray projects from the perspective of assessments. Small businesses or start-ups were disadvantaged by either being unable to afford agents or having their project rejected as too high risk.
- Businesses expressed concern with certain aspects of the funding arrangements. Aspects that caused frustration included being unable to start work prior to the outcome of their application, the difficulties in making amendments, the need for three quotations for each piece of expenditure and the fact that businesses initially had to cover costs before funding could be claimed.
- It was perceived that the process may be improved by having different processes for different business sizes.

The recommendations of the evaluation were:

- To improve applicants’ guidance materials, including more information on the application process, such as what to expect and when to expect it and what makes projects more or less likely to be successful.
- To better support smaller businesses, for example by enhancing flexibility to take account of their lack of resources (records, agents/administrative staff, financial capital) available to boost an application, relative to larger and more experienced competitors.
- To consider the suitability of alcohol and non-capital projects for the scheme.
- To consider the possibility of additional support for the grants team to assist them in tasks including grant recovery from projects that fail to meet their conditions.
- To improve monitoring in order to provide future evaluations with better quality and quantity of data for analysis.
- Further research in order to help minimise current limitations of data informing this evaluation.

- To consider the opportunity for changes post Brexit, namely to:
  - allow projects to commence at their own risk before confirmation of their application to reduce delays that currently impact business' functionality
  - To explore suitable EU-replacement funding sources

## LEADER

**Budget:** £82 million

**Contribution:** Funds community groups and community designed projects concerned with rural economic development.

Two reports have been written on LEADER. The 'Process Evaluation' of LEADER, published in 2018, reviews the experiences of applicants. As this was a relatively small piece of work, it does not consider the impacts of the scheme/projects directly. The second, which is awaiting publication, primarily reviews available data on the sorts of projects funded and the experience of those taking part.

### *Key Evaluation Findings*

The findings of the process evaluation consider the administrative data produced by LARCS – the administrative system that records LEADER activities – and four focus groups with Local Action Groups (LAGs).

The primary findings from this process evaluation are:

- Rates of commitment of funding are higher for LAGs who have accepted more community projects as opposed to business or farm diversification projects.
- There is strong support for the bottom up nature of LEADER and numerous impacts highlighted on community life, traditions and heritage, social infrastructure and cohesion, and the provisions of services for cultural and leisure activities among the rural population. Environmental and economic impacts were both noted.
- Challenges included the payments claims process, the perceived inaccessibility of the scheme for smaller organisations, a lack of funding flexibility and communication.

The evaluation recommended:

- LAGs should ensure claims are processed promptly, and Scottish Government should produce standards of services for LAG customers and LAG performance, with options to take action in response to poor LAG performance.
- The Scottish Government should distinguish between small, medium and large grants in terms of applications, and allow some payments to be made up front, where legislation permits, depending on the grant size.
- Future LAGs or equivalent administrative bodies should follow the same regulations and processes in terms of timescales and flexibility.
- Consider whether the focus on innovation truly serves the purposes of rural development.

## Farm Advisory Service (FAS): One to One

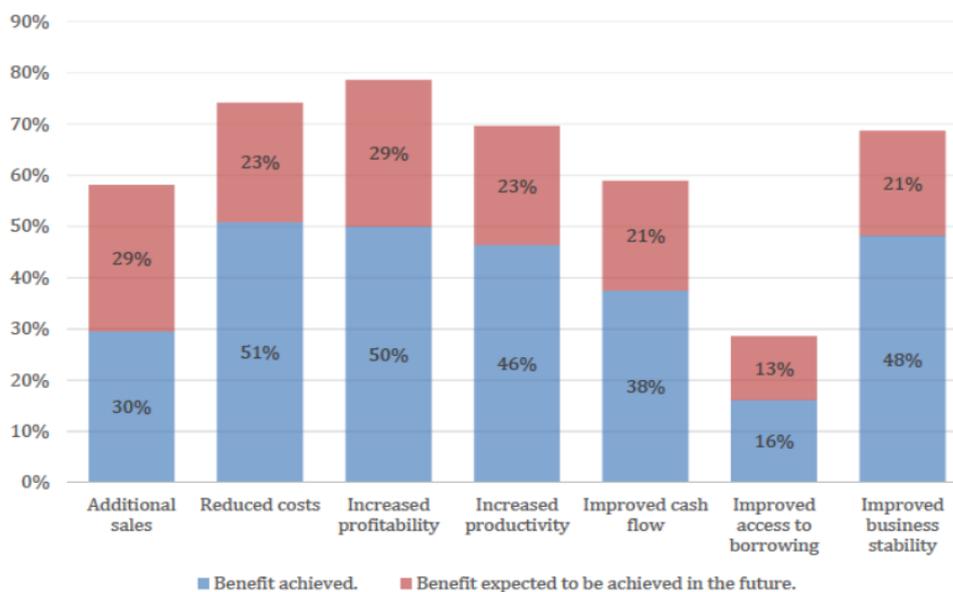
**Budget:** £3.82 million

**Contribution:** Provides specific advice to farms to improve business performance and provide other benefits, i.e. improving the surrounding environment.

An evaluation was published of the FAS One to One service in 2019.

### *Key Evaluation Findings*

- The service has four main components, which have received mixed reviews. These are Integrated Land Management Plans (ILMP); Specialist Advice (Only applicants who have completed an ILMP or are in the process of applying for one are eligible. There is an exception to this in the case of Resilience Planning); Mentoring for New Entrants (up to four days with a personal mentor); and Carbon Audits.
- More advertising of the service and potential benefits it can provide may be beneficial going forward.
- The evaluation found that, were it not for the advice provided by FAS, around one third of the improvements in farms would not have happened. This indicates that the service is providing a useful role in encouraging activity, but that in some cases it is supporting existing aspirations rather than cultivating new ones.
- Those participating in the evaluation reported several benefits to engagement with the service, as shown in the following graph from the report:



- About 28% were very satisfied (51% somewhat satisfied) with the service. However, only 39% of the respondents would be classed as promoters in the sense that they would encourage others to use the scheme (compared to 21% detractors).
- Around 10% of respondents rejected the advice and almost two thirds (65%) of respondents had taken 'some' or 'to some extent' the actions suggested. 13% reported taking all actions.

When asked, the majority of respondents struggled to identify other support they would like or improvements to the FAS. Areas that were highlighted by some respondents that FAS could consider for improvement were:

- Improved marketing of the service
- Less paperwork in the provision of the service
- More specific, detailed, relevant advice
- Greater accessibility of the service in terms of locations and formats of support
- Speed of service
- More follow up
- More specialist advisors.

## 3: Forthcoming Evaluations

### Evaluations Nearing Completion:

#### Scottish Rural Network (SRN) - Forthcoming

**Budget:** £4.5 million

**Purpose:** to develop a Scottish Rural Network to support the implementation of the rural development programme.

#### Agri-Environment Climate Scheme (AECS) – Biodiversity outcomes\* Forthcoming

**Budget:** £289 million

**Purpose:** The funding available under the scheme will help to:

- Deliver the 2020 Challenge for Scotland's Biodiversity by supporting appropriate management for vulnerable and iconic species and habitats, strengthening ecological networks, controlling invasive non-native species and enhancing the condition of protected nature sites
- Contribute to Scotland's world-leading climate change targets by reducing greenhouse gas emissions from agriculture and securing carbon stores in peatlands and other organic soils
- Meet obligations to improve water quality under the EU Water Framework Directive by reducing diffuse pollution
- Control flooding through natural flood risk management
- Support organic farming
- Preserve the historic environment
- Improve public access

The work for this evaluation has been completed, but we are currently waiting for a final report to be provided by the authors.

#### Improving Public Access – Forthcoming

**Budget:** £8.5 million

**Purpose:** To provide funding for paths to improve public access to the countryside.

An Improving Public Access evaluation is being developed externally to Scottish Government.

### Evaluations Currently in Progress:

#### Plans for the Young Farmers and New Entrants Start-Up Grant Evaluation

**Budget:** £11.8 million

**Due:** October

The evaluation will consider:

- The outcomes for supported farmers
- The types of farms supported
- The prospects for directing new entrants funding

The methods will be:

- Reviewing applications where this is possible
- Analysis of the criteria for decision making
- A survey of recipients

### Plans for Farm Advisory Service One to Many Evaluation

**Budget:** £13.34 million

**Due:** October

The key research questions for the evaluation are:

- What has the FAS delivered?
- What are the benefits for participants?
- Should we further develop the delivery mechanism for engaging with policy priorities in the next phase?
- How can we develop the monitoring and evaluation for the next phase?

To answer these questions, we will need:

- Interviews with FAS providers
- Engagement with internal stakeholders about key priorities for next policy phase
- A short survey for FAS beneficiaries
- Two focus groups with FAS beneficiaries that volunteer to participate

### Plans for Knowledge Transfer and Innovation Fund Evaluation

**Budget:** £6 million

**Purpose:** Promote skills development and knowledge transfer in agriculture, and improvements in agriculture performance and environmental sustainability.

- What projects has the scheme funded, compared to which have been rejected?
- How is the process?
- What is the criteria by which innovative schemes identified and engaged with?

Data Collection:

- Review of all KTIF applications, rejected and accepted.
- Analysis of accepted projects in terms of goals.
- Interviews with recipients and rejected applicants.

**Future Evaluations:**

At present, we are planning further evaluations of the Beef Efficiency Scheme, Forestry Grant Scheme and the Crofting Agricultural Grant, Small Farms Grant and New Entrants Capital Grant Schemes. However, these are not specified in detail here.