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Sustainable Production Grant evaluation

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Sustainable Production Grant evaluation

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RDP

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SAB

SuDS Approving Body

SPG

Sustainable Production Grant

SuDs

Sustainable Drainage Systems

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1. Introduction

1.1. Background

The Sustainable Production Grant (SPG) was an important element of Welsh Government Rural Communities-Rural Development Programme (WGRC to RDP) for Wales 2014 to 2020, delivered under sub-measure 4.1 (support for investments in agricultural holdings). Aligned with the Welsh Government’s vision to develop sustainable, profitable and resilient farm businesses in the agriculture industry in Wales, the SPG helped farmers to improve the economic and environmental performance of their agricultural holdings. It was an investment package aimed at helping Welsh farmers to invest in equipment to reduce harmful environmental impacts from agriculture and support sustainable farming and land use.

It offered investment support for facilities and equipment related to animal health and welfare, crop storage, livestock housing and handling, renewable energy production and soil and crop management.

There were seven rounds (referred to as ‘windows’) of the SPG. In the early rounds (Windows 1 to 3), the scheme was designed to help farmers in Wales to improve the economic and environmental performance of their agricultural holdings. Its objectives were:

- to increase on-farm investment
- to increase technical performance
- to increase on-farm production efficiencies
- to increase on-farm resource efficiencies

It covered capital investments in equipment and machinery, along with some associated costs, and supported projects that offered clear and quantifiable benefits to improve the overall performance and sustainability of the agricultural holding. The grant could be used to invest in facilities and equipment that related to the following five investment themes of: animal health and welfare, crop storage, production housing and handling, renewable energy production and soil and crop management.

For later rounds (Windows 4 to 7), due to the impacts of on-farm pollution affecting water quality and wildlife, the Welsh Government decided to target pollution more explicitly. Objectives included enhancing nutrient management, as well as safeguarding and improving water, soil and air quality, by reducing pollution. The grant support was therefore targeted at investment by farmers to:

- enhance on-farm nutrient management
- protect and enhance water, soil and air quality
- increase on-farm water efficiency
- increase on-farm resource efficiencies

These later rounds of the SPG covered capital investments in equipment and machinery that were pre-identified to address the impacts of on-farm pollution, offering clear benefits to farm enterprises and the wider environment. Window 7 was specifically designed to support farmers to ensure compliance with the Water Resources (Control of Agricultural Pollution) regulations 2021 [footnote 1].

For Windows 1 to 3 the grant range was between £16,000 and £400,000. To achieve the full 40% grant contribution, expenditure of over £1m was required.

For Windows 4 to 7, the maximum project cost to be eligible for a 40% grant contribution was £125,000. The grant ranged from a minimum of £12,000 to a maximum of £50,000, requiring a minimum matched private funding of £18,000 for a total investment of at least £30,000. Projects with total investments exceeding £125,000 received the maximum £50,000 grant.

Eligible items included air scrubbers, Global Positioning System (GPS) equipment for precision farming, silage clamps, soil and silage testing equipment, slurry storage tanks, pumps and covers, slurry spreading equipment. For Window 7, eligibility was restricted to slurry-related items.

To qualify for the grant in Windows 1 to 6, a member of the farm business was required to attend a ‘Sustainable Farming’ event organised by Farming Connect (FC). This requirement was not applicable for Window 7. The business needed to have registered with FC and Rural Payment Wales (RPW). If a business had applied for funding in a previous window of the SPG, they were no longer eligible to apply in later windows. This criterion changed in Window 6, to those businesses that had applied in Windows 1 to 3 not being eligible to apply in Window 6. This eligibility criterion was not applied in the 7th window of the grant.

Footnotes
[1] https://www.gov.wales/water-resources-control-agricultural-pollution-wales-regulations-2021-guidance-farmers-and-land

The application process for the grant involved attending the FC event to become eligible (for Windows 1 to 6). Following attendance, applicants submitted an Expression of Interest (EoI) through Rural Payments Wales (RPW), detailing the proposed capital investment in application for the grant. Applications were then scored based on criteria related to financial resilience, animal or plant health and welfare, emissions, nutrient efficiency, energy efficiency and water efficiency.

Once a proposal passed the EOI stage the applicant was invited to prepare and submit a full second stage application for their proposed project, along with supporting documentation such as 5-year business plan, Nutrient Efficiency Plan, Water Efficiency Plan. The business plan included a cash flow projection for the investment period to cover defrayment and ensure that the business cash flow could cover the period between investment and the grant award. Additionally, the business needed to demonstrate that it had the match funding available, either as a cash reserve or through a supporting letter from a lender, usually a lending bank.

The scoring aimed to rank applications for funding allocation. Successful applicants received contracts and could purchase selected items before claiming the grant through the RPW Online account. The scheme aimed to balance simplicity with accountability, using a predefined list of capital items to simplify the application process and maximize tangible gains in business and environmental performance. Knowledge Transfer Events (KTE) were integral to the scheme, fostering engagement and providing information to build farmers' confidence and skills in sustainable business development.

Activities supported under the SPG scheme were designed to address at least one of the following WGRC-RDP 2014 to 2020 Priorities and Focus Areas:

- (All Windows) Priority 2 – enhancing competitiveness of all types of agriculture and enhancing farm viability
    - Focus Area 2a - facilitating restructuring of farms facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in a particular sector and farms in need of agricultural diversification
- (Windows 1 to 3) Priority 3 - promoting food chain organisation and risk management in agriculture, with a focus on the following areas:
    - Focus Area 3a - 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
    - Focus Area 3b - supporting farm risk management
- (Windows 1 to 3) Priority 4 -restoring, preserving and enhancing ecosystems dependent on agriculture and forestry
    - Focus Area 4b - improving water management, including fertiliser and pesticide management
    - Focus Area 4c - preventing soil erosion and improving soil management
- (All Windows) Priority 5 – promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors
    - Focus Area 5a – increasing efficiency in water use by agriculture
    - Focus Area 5b – increasing efficiency in energy use in agriculture and food processing
    - Focus Area 5d – reducing greenhouse gas and ammonia emissions from agriculture

Theme and cross-cutting areas (All Windows) – the capital items and activities eligible under SPG windows were designed to support the Soil and Crop Management theme and the three cross-cutting areas of Nutrient Efficiency, Energy Efficiency and Water Efficiency.

The SPG were also designed to contribute to Welsh Government strategies, such as:

- Taking Wales Forward 2016 to 2021, by encouraging farmers to adopt environmentally friendly and economically viable production methods, contributing to the overall economic prosperity of Wales
- The Wellbeing of Future Generations Act, by supporting projects that consider economic, social, and environmental aspects, fostering a more resilient and sustainable agricultural sector in Wales
- The Code of Good Agricultural Practice for the Protection of Water, Soil and Air for Wales, by supporting projects that align with the principles of good agricultural practice outlined by the Welsh Government
- Animal Health and Welfare Framework, by supporting initiatives that enhance animal health, promote responsible farming practices, and ensure the welfare of animals, aligning with the government's framework for maintaining high standards of animal health and welfare

1.2. Aims and Objectives

This evaluation provides an independent assessment of the SPG in terms of its implementation and impacts within Wales.

The specific objectives of this evaluation project are to assess:

- effectiveness of the SPG scheme management – including the claims process, monitoring systems, communications and the availability of support post-award
- progress of SPG in meeting the targets
- illustrative impact of the SPG
- effectiveness of the project application, decision and appraisal processes
- extent to which supported businesses have been able to achieve the objectives set out in their business plans (for SPG Windows 1 to 3)
- extent to which the Business Plan model is utilised for SPG Windows 1 to 3 (i.e. is the business plan requirement being used as a means to an end or is it a useful tool for farmers to help them achieve their objectives)
- SPG responsiveness to the perceived needs of the agricultural industry
- alignment of the SPG with support available to the sector and more broadly with the Welsh Government and EU strategic policy objectives

1.3. Evaluation and Report Structure

The evaluation was structured to provide specific evidence and recommendations in relation to the above objectives of the SPG. To underpin the evaluation and to test assumptions, the Theory of Change (ToC) model was used to assess the programmes goals, activities, outcomes and impacts. The ToC was also informed by stakeholder interviews with Welsh Government policy leads to enhance the understanding of scheme design, implementation and impact and assess research questions such as identifying the effectiveness of the SPG scheme management, progress in meeting targets and understanding its alignment with wider Welsh Government and EU strategic policy.

A mixed methods approach was employed to gather insights from both beneficiaries and non-beneficiaries. This approach helped in capturing crucial details to evaluate and enhance the understanding of the grant's effectiveness and the perceived needs within the agricultural industry. Administering surveys to both non-beneficiaries and beneficiaries allowed for input regarding their experiences with the SPG. Qualitative methods, such as interviews and focus groups, were specifically employed to examine the more in-depth perspectives of grant beneficiaries. The compilation of information resulting from this mixed methods approach contributed to evaluating the overall communication, application, and impact of the SPG. This comprehensive assessment has significantly enriched the understanding of the research questions and objectives of the project. Further details on the employed methods are elaborated in the subsequent methodology section.

This evaluation report is structured as follows:

- Introduction – providing a clear rationale and background for the project including the research aims/ objectives and its overall structure
- Methodology – outlining the mixed method approach used to achieve the overall aims and objectives of the evaluation, as well as the analytical methods used for analysis and ethics employed in the research
- Theory of Change (ToC) and Scoping Interviews – showing the ToC model created and the stakeholder interview findings
- Desk-based review of scheme monitoring data
- Survey - exploring both non-beneficiaries' and beneficiaries' responses and providing descriptive analysis of the findings
- Interviews and case studies – an in-depth view of SPG Windows 1-3 beneficiaries' views of the grant and overall impact on their farm and business
- Focus groups and interviews - a thematic analysis of beneficiaries of the SPG grant in Windows 4 to 7, identifying important topics from their perspective on the application process, impact and future motives

- Discussion and Conclusion - outlining the findings from all primary research in the project against the research questions and aims of the project, as well as providing a synthesis of the evaluation and recommendations

2. Methodology

This section outlines the methodology employed in the evaluation of the SPG grant scheme, detailing the data collection processes, sampling framework, and ethical considerations. A mixed-methods approach was adopted to form a robust evidence base, combining both qualitative and quantitative data sources. The methods included scoping interviews, desk-based reviews, an online survey, in-depth interviews, and focus groups.

All primary data collection was completed in line with the Market Research Code of Conduct and British Sociological Association's Ethical guidelines and under a data sharing agreement with the Welsh Government.

Consent was gained from all participants before they took part in the research. A privacy notice was created, in both English and Welsh, outlining the participants' rights, briefing them on the project and providing contact details for any further questions or if they would like to withdraw.

Respondent anonymity was protected throughout the process of the data collection, analysis and reporting. Research findings were reported in an aggregated way so that identities of individuals were not revealed. Data was stored securely with access only by the immediate research team at ADAS.

2.1. Scoping interviews

At the start of the evaluation project, a total of six interviews (with seven individuals) were conducted with Welsh Government officials who took part in developing, operating and monitoring the SPG scheme. These interviews helped to refine the scope, key research questions, and to develop a logic model to inform the evaluation framework. The various Welsh Government stakeholders were either interviewed separately or in groups through Microsoft Teams. A list of these stakeholders is provided in Annex A.

To undertake the scoping interviews, a semi-structured method was followed and facilitated through an interview guide (Annex B). The guide outlined questions to understand the stakeholder's involvement and the schemes development, monitoring/indicators, impacts/outcomes and improvements from the interviewee's perspectives.

2.2. Desk-based review

Alongside scoping interviews, desk-based research of data and documentation was conducted. This included a review of monitoring data on projects started and completed, their delivery, claims, and outputs produced by projects. Additionally, a sample of the business plans and project applications were reviewed to assess the effectiveness of the grant in leading to the plans being completed.

The selection of projects for this evaluation primarily focused on grant scheme beneficiaries who had completed their projects, responded to the survey and agreed to participate an in-depth interview with the evaluation team. This approach ensured that the evaluation captured the experiences and outcomes of those who had fully engaged with the SPG grant scheme and could provide firsthand insights into its effectiveness. Although the selection process was based on a self-selected sample, the evaluation team also used selection criteria where possible to ensure that the sample included a diverse range of projects, representing various types of farms and geographical locations, to capture a broad spectrum of experiences.

The review of the business plan was combined with the responses to the online survey and in-depth interviews, allowing both quantitative and qualitative data to be used in understanding the actual impacts of SPG supported projects. This approach helped to explain why and how those projects were completed, as well as the role the business plan in achieving the intended outcomes and the reasons if that role was limited.

2.3. Online Survey of Beneficiaries and Non-Beneficiaries

To gather opinions and insights on the impacts and processes of the SPG scheme, an online survey was conducted and distributed via email to both successful and unsuccessful applicants. The inclusion of unsuccessful applicants primarily served as a comparator to understand the additional benefits gained from participation in the scheme. It also provided further feedback on the application process.

The sample for this evaluation came from the SPG scheme databases from Welsh Government, which included both successful and unsuccessful applicants. Before using the data, we differentiated single and multiple applications during different rounds of applications, as well as farmer applicants and consultant applicants. This was done to ensure the most relevant questions were asked to the relevant respondents. For multiple applicants, we focused on their most recent application to improve recall of their experience with the scheme.

The main challenge was dealing with inconsistencies in the data, like incomplete records or slight variations in applicant information particularly between different rounds of applications. All data was securely stored on encrypted servers, with access restricted to the research team, ensuring that personal information was protected.

A questionnaire was designed for the survey and uploaded to the online survey platform Jisc. Farmers were provided with a login specific link to enable them to self-complete the survey.

The Jisc online survey platform was chosen because the project team already had a subscription, making it cost-effective. The platform was user-friendly, offered strong data security, and allowed for easy customisation with both multiple-choice and open-ended questions. Additionally, Jisc enabled secure, login-specific links for respondents, making it a practical and reliable choice for the survey. It also allowed for progress tracking and sending reminders only to those who had not yet responded.

The questions were a mix of closed multiple choice questions and open-ended questions broken down into key sections to address the research aim and four key areas of concern. Closed questions helped in analysing clear trends and patterns, while open-ended questions provided deeper insights into respondents' experiences. Organising the questions into sections addressed the research aims and key areas of concern, ensuring a comprehensive assessment of the SPG scheme. This combination allowed for a balanced assessment, capturing both structured data and descriptive feedback. The full survey questionnaire can be found in Annex C for non-beneficiaries of the scheme and Annex D for beneficiaries of the scheme.

The survey questions were tailored slightly differently for Windows 1 to 3 and Windows 4 to 7 applicants. The identification of respondents for each window was facilitated by the scheme database, which recorded the window and specific project for which each applicant applied, along with the application outcomes, funding size, name of the project and start/finish date for successful applicants. This information was prepopulated in the survey to remind respondents of the project they applied for under the scheme.

In a few cases, respondents reached out via email or phone to clarify which project or window they were associated with when they were uncertain. This helped ensure they responded accurately to the relevant survey questions.

There were no significant challenges regarding respondents completing surveys for the wrong project or window. The prepopulated information and the available point of contact (email and mobile) served as effective mitigation measures to prevent any confusion.

For Windows 1 to 3 applicants, the survey questions focused more on the impact of the scheme in relation to improvement in farm management, increased use of innovative farming methods, improved resource efficiency, improved resilience, improved productivity and reduction in negative environmental impacts.

For Windows 4 to 7, the focus of the survey was around the process aspects of the scheme and the expected outcomes. Main survey questions included:

- motivations/drivers for application
- application and claim process, advice and support
- barriers and support for making changes – what would have helped
- expected impacts / outcomes for the farm business
- wider perceived impacts / outcomes
- improvements required to increase uptake and/or impact

Additionality of the grants were also examined for all Windows using self-reported assessment from successful applicants, based on their responses to a set of questions including:

- what was the grant used for (upgrading or replacement)?
- what would have had happened in absence of the grant – would the investment still have gone ahead at the same scale and within the same timeframe, whether other fundings sources are available?

Contact details were provided by the Welsh Government. Email addresses were used to circulate the survey. Broadcast message on RPW online, email reminders and follow up telephone surveys conducted by ADAS consultants were used to increase the response rate of the survey.

The survey ran for two months, extended from an initial three weeks to increase response rate. A total of 100 responses were received from successful applicants and 56 from unsuccessful applicants.

Microsoft Excel and Stata were primarily used to analyse the data from both the beneficiary and non-beneficiary survey. As the surveys ran both in Welsh and English, the Welsh surveys were translated and combined with the English survey to create one dataset for both beneficiaries and non-beneficiaries of the SPG.

Quantitative questions, which provided respondents with multiple-choice options, were analysed in Microsoft Excel, and presented in graphs for the report. It should be noted that not all questions were compulsory to answer. This approach was used to accommodate respondents who might feel uncomfortable answering certain sensitive questions, such as those related to financial details, personal experiences, or internal business decisions. Allowing optional responses helped to increase participation and honesty in the survey, as respondents were less likely to abandon the survey due to discomfort or concerns over privacy. Beneficiary and non-beneficiary responses were also compared in the analysis.

Qualitative analysis was undertaken for open-ended questions in order to gain a deeper understanding of respondents' experience with SPG. These were mainly a comparison analysis of any answers where the farmer had entered free text into the 'other' category or were asked to further specify their answer.

2.4. In-depth Beneficiary Interviews and Case Studies (Windows 1 to 3)

A total of 10 interviews were conducted with beneficiaries. These consisted of farmers who participated in Windows 1 to 3 of the grant scheme. The farmers interviewed were from various sectors such as dairy, poultry, beef and sheep to create a more representative sample. This also allowed a wider understanding of the various challenges and impacts through the different capital items the farmers invested in with the grant support.

The interviews were conducted by ADAS social scientists through telephone or Microsoft Teams. The farmers contacted were Windows 1-3 beneficiaries who specified interest in being part of an interview through completion of the online survey. All interviews were conducted in English, but respondents had the option to choose Welsh if they preferred.

The telephone interviews were up to 30 minutes long and used a semi-structured method. All interviews were recorded for transcription purposes and key data was transcribed to develop case studies. An interview guide was created by ADAS and approved by Welsh Government to help facilitate the semi-structure of the interview (Annex D). The main topics of the guide were:

- background information on the business and grant supported project
- application process and implementation
- the impact of the investment and grant support
- the process and usefulness of creating a business plan
- achievements from the grant and any additional support they needed
- additionality
- suggestions on improvements for the grant scheme or future schemes going forward

To analyse the data, key parts of the discussion from the interviews were transcribed from its recording. The key elements of discussion were chosen/compared to the interview guide and objectives of the case studies to produce meaningful segmented data. Case studies were written in a similar structure to the interview guide to create a natural narrative to the participants perspective. This begins with their background and application process, business plan, impact of the grant support and additionality/improvements.

The business plan section of the interview was cross-referenced with the participants' actual business plans submitted during the application stage of the SPG scheme. This allowed us to understand the objectives of the capital items supported by the grant and assess whether the beneficiaries believed they had achieved what they originally set out to accomplish.

2.5. Beneficiary Focus Groups and Interviews (Windows 4 to 7)

A total of 13 farmers from Windows 4 to 7 participated in three focus groups to share their experience with the SPG scheme. Due to the low response rate [footnote 2] for focus group participation, two additional interviews were conducted with farmers who expressed interest in the evaluation project but were unable to attend the focus group. The focus group lasted for 60 minutes and discussed:

- the farmers background and why they applied for the grant
- the application process and implementation
- the impact and achievements of the grant
- additionality and suggestions on improvements for the grant scheme or future schemes going forward

The focus group was conducted online by an ADAS facilitator and scribe through Microsoft Teams and followed a semi-structured approach using a focus group guide (Annex F) that was approved by the Welsh Government. All focus groups and additional interviews were recorded for transcription purposes to accurately reflect the participants' views and comments.

A thematic analysis was used to analyse the focus group and interview data, which was a deductive approach to understanding qualitative data and considered the research objectives and any significant themes that emerged from the data through the process of data reduction, segmentation and categorisation [footnote 3].

NVivo software was used to assist in the thematic analysis through visualisation and compartmentalisation of the data. The process involved uploading transcripts from the focus groups/interviews to NVivo and identifying comparisons and differences within the data to establish themes. These themes were then used to shape key topics in relation to the research questions.

Footnotes
[2] We intended to recruit 6 to 8 participants for each of the three workshops.
[3] Using thematic analysis in psychology:
https://www.tandfonline.com/doi/abs/10.1191/1478088706qp063oa

3. Theory of Change (ToC) and evaluation framework

This section outlines the development of the Theory of Change (ToC) for the SPG grant scheme, which is a critical step in understanding how the scheme is intended to produce its desired outcomes.

A ToC is a systematic way of describing how a public intervention or programme is expected to create change. It outlines the programme's goals, assumptions, and strategies, as well as the expected outcomes and impact. The ToC of the SPG grant scheme was developed on a post-hoc basis as part of this evaluation project and involved a process of identifying the scheme's underlying logic and specifying the inputs, activities, outputs, outcomes, and impact. The process also involved identifying the assumptions and dependencies of the scheme delivery.

A range of data sources were used to inform the development of the ToC, including desk research of scheme documentation and scheme monitoring databases, a review of past evaluation reports and research papers, as well as scoping interviews with scheme leads and project management and delivery staff to gather feedback, input, and insights on the scheme design, implementation, monitoring and impact.

As early and later rounds of the scheme have distinct objectives and focuses, separate ToCs were developed to establish the overall evaluation framework.

3.1. Toc for Windows 1 to 3

3.1.1. Context of scheme support

The foundational nature of farming activities within the Welsh economy and the need to improve the financial and environmental performance of Welsh agriculture has been recognised as a key strategic priority. For example, Prosperity for All, the Agriculture (Wales) Bill [footnote 4] (and its Strategic Framework for Welsh Agriculture precursor), the Environment Act Wales [footnote 5], Nature Recovery Action Plan Wales [footnote 6], and Working Together to Reach Net Zero [footnote 7].

Specific strategic issues were acknowledged in terms of business viability and resilience and pollutant loadings to air, soil and water. Addressing these issues requires farm-level change in management practices, which in turn require upfront investments in farm infrastructure (including data), equipment and skills. Farmers may also incur ongoing costs and expenses associated with implementing and maintaining the necessary changes in management practices (such as additional labour, ongoing maintenance of equipment, and ongoing monitoring of animal welfare). However, private investment is often less than optimal and ongoing costs are often prohibitive, leading to lack of improvement in management practices.

For Windows 1 to 3, SPG funding was available across a broad range of investment themes subject to market failure constraints. For example, animal welfare and nutrient management. In the case of animal welfare, market failures may arise due to consumers not fully understanding or valuing the welfare of animals in their purchasing decisions. This could result in farmers not investing enough in animal welfare, as they may not see a sufficient return on their investment. Similarly, in the case of nutrient management, market failures may arise due to the negative externalities associated with nutrient pollution. Producers may not account for these externalities in their production decisions, leading to overuse of nutrients and resulting in negative environmental impacts.

By providing funding for investment themes related to animal welfare and nutrient management (where there is an underinvestment by farmers), the SPG was aimed to address the associated market failures and achieve desirable environmental and societal outcomes.

Footnotes

[4] Agriculture (Wales) Act 2023
[5] Environment (Wales) Act 2016
[6] Nature recovery action plan (Wales) 2015
[7] Working together to reach net zero: all Wales plan 2020

3.1.2. Rationale for intervention

The rationale for support is that capital investment is subject to potential market imperfections or failures. These include smaller firms' access to credit being constrained and/or being more costly because of lenders' (un)willingness to offer finance, but also smaller firms' risk averseness to debt. The latter is compounded by information failures in the form of lack of awareness of investment benefits; the necessary skills; and confidence to realise them. Lowering private investment requirements by offering government grants reduces firms' costs and perceived risks, thereby encouraging investment. The provision of accompanying information, advice and training is also often helpful. This is especially crucial for the farming sector, as many farms depend heavily on subsidies to remain viable and are now uncertain about future investment with CAP payments ending.

The mix of private (market) and public (non-market) benefits generated varies across different types of investment. In the case of investments and ongoing management that mostly generates non-market benefits (e.g., animal welfare and environmental improvements), grant-aid may need to account for a higher proportion of costs. This reflects the typical failure of private returns to be sufficient to incentivise the provision of public goods. This market failure is the dominant rationale for public intervention in the delivery of environmental public goods, whether through grant-aid to private firms or direct public management.

Expressed as a ToC logic model, public funding represents an input and the level of total investment (public plus private) an activity generating outputs in the form of crop storage facilities, livestock housing and renewable energy installations. Utilisation of these outputs then generates outcome benefits in the form of improved animal welfare, reduced pollutant loadings and enhanced farm resilience.

3.1.3. Impact pathways

Table 3.1 below shows the impact pathways from scheme inputs to outputs and outcomes, as well as key assumptions and external factors which may affect scheme effectiveness.

Table 3.1: ToC for SPG Windows 1-3

Aims and objectives	Inputs and resources	Activities	Output	Outcomes short-term	Outcomes medium-term	Outcomes long-term
To increase on-farm investment, technical performance, production efficiencies and resource efficiencies Reduced nutrient emissions to air, soil and water.	Public funding (£14m) contribution towards investment in facilities and equipment Provision of information, advice and training Scheme administration Project staff (for management appraisal, monitoring and claims)	Combined public and private investment No. of EOI assessed No. of contracts awarded	Farm infrastructure and equipment with potential to facilitate improved performance in terms of (e.g.) animal welfare, pollutant loadings, and renewable energy generation Business plan created Increased knowledge of sustainable farming (from FC event)	Increased awareness of objectives and capability to address them Increased on-farm investment	Increased on-farm production efficiencies Changes to management resulting in improved animal welfare, lower emissions to air, soil and water, and increased renewable energy generation.	Improved environmental quality Enhanced business resilience through increased resource efficiency Improved economic performance of agricultural businesses in Wales No. of jobs created/safeguarded Area of land managed under a resource management plan Decrease in greenhouse gases Increase in turnover

Table 3.1.2: Extended ToC for SPG Windows 1-3

Assumptions	External factors
Market failures inhibit private investment even in presence of win-win and/or regulatory obligations, and public support can counter such failures. Investments will facilitate appropriate changes in management practices to deliver desired improvements	Broader agricultural policy and regulations Agricultural input and output market conditions Private sector carbon and biodiversity markets Climate change Risk of loss to workforce with more efficient equipment Sourcing match funding

3.2. ToC for Windows 4 to 7

3.2.1. Context of scheme support

The need to improve the environmental performance of Welsh agriculture was recognised across a number of published Strategy documents relating to air and water quality, climate change, and habitats and biodiversity. For example, the Environment Act Wales [footnote 8], Nature Recovery Action Plan Wales [footnote 9], and Working Together to Reach Net Zero [footnote 10]. Specific strategic issues were acknowledged, such as ammonia emissions, nitrogen and phosphate loadings to water bodies, and (net) greenhouse gas emissions. Addressing these issues requires farm-level change in land cover and management practices, which in turn require upfront investments in farm infrastructure (including data), equipment and skills. Additionally, these improvements often incur ongoing costs. Ongoing costs might include the recurring expenses required to maintain and sustain the new practices, such as the regular maintenance of equipment, and continuous monitoring and reporting of emissions and water quality. These costs can also include labour, training, and adaptation to changing environmental or regulatory standards. Such expenses can become prohibitive for farmers, especially if there is insufficient private investment or financial support. As a result, the under-delivery of necessary improvements is common.

However, private investment is often insufficient and ongoing costs are often prohibitive, leading to under-delivery of improvements.

For Windows 4 to 7, SPG funding was targeted principally at enhancing on-farm nutrient management as a cause of pollution. For example, applications of organic and artificial fertilisers can generate ammonia emissions to impair air quality and nitrate emissions to impair water quality. Such pollution can be mitigated through better management. Window 7 was targeted more explicitly at funding investments in the storage and handling of slurry generated from housed livestock systems so that farmers are compliant with the Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021 to protect water quality. Although, such investments had been funded under earlier rounds in anticipation of the Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021, their prioritisation under Window 7 reflected the urgency of required investments

Footnotes

[8] Available at: https://www.legislation.gov.uk/anaw/2016/3/contents

[9] The Nature Recovery Plan for Wales https://www.biodiversitywales.org.uk/Nature-Recovery-Action-Plan

[10] Working Together to Reach Net Zero: All Wales Plan (2021-2025). Working together to reach net zero: all Wales plan 2020

3.2.2. Rationale for intervention

The rationale for support is that capital investment is subject to potential market imperfections or failures as discussed earlier in this report. More specifically, the intervention logic behind the SPG grant for Windows 4 to 7 was to reduce on-farm pollution that affects water quality and wildlife in Wales (Windows 4 to 6) and support compliance with the Agricultural Pollution to Water Regulations (Window 7). The grant aimed to encourage farmers and agricultural businesses to adopt sustainable production practices and technologies that reduce the impact of their activities on the environment.

One of the main market failures addressed by the SPG grant is the underinvestment in environmental protection measures by farmers and land managers. This is often due to the high costs associated with implementing such measures and the lack of financial incentives and/or access to private finance to do so. The SPG grant provides a financial incentive for farmers and businesses to invest in sustainable production practices that improve environmental outcomes. For example, investment in slurry storage does not usually provide a clear return on investment to farmers although there might be some efficiency gains. Compared to other on-farm infrastructure investment, such as animal housing, the store would not necessarily result in increased business turnover. Therefore, there is a lack of economic incentive for farmers to invest in such equipment and facilities which required government funding to support.

Another market failure addressed by the SPG grant is the negative externalities associated with agricultural pollution. The negative impact of agricultural pollution on water quality and wildlife can be significant and widespread, affecting not only the immediate environment but also downstream users of the water supply. The SPG grant sought to provide an incentive to farmers and farm businesses to adopt more sustainable practices that reduced the level of pollution and improved the health of the environment.

In the specific case of grant-aid for compliance with the Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021, mandatory obligations to suddenly upgrade facilities and equipment highlight market failure inhibitors of private funding. Consequently, offering grant-aid is a mechanism for assisting existing farm businesses to adjust (consistent with policy objectives regarding competitiveness and resilience), thereby avoiding widespread short-term sectoral disruption.

Expressed as a ToC logic model, public funding represents an input, the level of total investment (public plus private) an activity generating outputs in the form of (e.g.) data, infrastructure and equipment, and the benefits generated by outputs are outcomes. A number of specific benefits are sought, with the assumption being that investments will enhance environmental management and subsequent performance. For example, enhanced slurry storage and spreading equipment are assumed to drive improved nutrient management. Making better use of on farm nutrients and organic manures also reduced the business's need to purchase fertilisers.

Table 3.2 summarises the impact pathways from scheme inputs (Windows 4 to 7) to outputs and outcomes, alongside key assumptions and external factors which may affect scheme effectiveness.

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Table 3.2: ToC for SPG Windows 4 to 7

Aims and objectives	Inputs and resources	Activities	Output	Outcomes short-term	Outcomes medium-term	Outcomes long-term
Reduced nutrient emissions to air, soil and water	Public funding contribution towards investment in facilities and equipment Provision of information, advice and training	Combined public and private investment EOIs received No. of contracts offered No. of business plans	Farm infrastructure and equipment with potential to facilitate improved environmental performance No. of beneficiaries	Increased awareness of objectives and capability to address them	Enhanced on-farm nutrient management resulting in lower pollutant loadings Compliance with slurry storage capacity requirements of Regulations by 2024	Improved air, water and soil quality Enhanced business resilience through increased on-farm resource efficiency Reduction in on-farm pollution Increased on-farm resource efficiencies

Table 3.2.1: Extended ToC for SPG Windows 4 to 7

Assumptions	External factors
Market failures inhibit private investment even in presence of win-win and/or regulatory obligations, and public support can counter such failures. Investments will facilitate appropriate changes in nutrient management to deliver environmental desired gains.	Broader agricultural policy Agricultural input and output market conditions Private sector carbon and biodiversity markets Climate change COVID-19 Risk of loss to workforce with more efficient equipment Sourcing match funding

3.3. Assumptions and Dependencies of ToCs

Two key assumptions underpin the logic models for both Windows 1 to 3 and Windows 4 to 7. First, that (at least some proportion of) investments would not have occurred without public support (i.e. deadweight is not excessive). In other words, it assumes that private investment is inhibited by market failures requiring public intervention even where private benefits accrue from investment (e.g., cost savings through better nutrient management) and/or investment is effectively a regulatory obligation (i.e., slurry handling under the Water Resources (Control of Agricultural Pollution) (Wales) Regulations 2021).

Second, that eligible investment items are capable of delivering environmental improvements and that they will be used effectively. The latter requires grant recipients to utilise investments, which implies a degree of behavioural change to accompany farm infrastructure change.

In addition, external factors which may influence (positively or negatively) the net benefits of grant-aid include the effect on farm profitability and management of broader policy and market conditions plus private sector developments with respect to payments or contractual conditionalities for environmental performance. For Windows 4 to 7, COVID-19 and sourcing match funding may also influence the delivery of the SPG.

3.4. Evaluation questions

- To what extent are the eligible items suitable for the needs of farm businesses?
- To what extent does the SPG compliment the other grant schemes offered by the RDP / Welsh Government?
- To what extent does the support offered through SPG represent value for money?
- What lessons learnt and recommendations for current SPG and similar future schemes can be provided from the assessment of SPG?
- Did supported businesses achieve the objectives detailed within their 5-year business plan?
- Did the investment contribute to the business development?
- Were business plans realistic and did the requirement to develop a 5-year business plan impact on the subsequent business decisions?
- From the farms who succeeded in developing their business plans (substantial development) what were the characteristics of these farms? (Did they benchmark, did they update their business plans, what was the role of external advisors etc)
- Are the farms more resilient following investment?
- Were the final capital costs in line with those proposed in the business plan?
- Were the financial projections and projected enterprise margins and profit in line with those projected in the business plan?
- Considering the improvement to the business, could the investment have been made without grant support?

3.5. Overall framework

Linking to the ToCs and evaluation methods, Table 3.3 and Table 3.4. below set out the key evaluation questions and data collection and analysis methods for answering the questions.

Table 3.3: Evaluation Framework and Data Sources for SPG Windows 1-3

	Data sources	Indicators	Methods
Impact	• SPG monitoring data & documentation • Existing business plans • Online survey of scheme applicants (from completed projects in Windows 1 to 3) • In-depth Interview Data	• Business plan formed • Objectives in the 5-year business plan being realistic • Impact (replacement/upgrade) • Impact (improvement in farm management, increased use of innovative farming methods, improved resource efficiency, improved resilience, improved productivity) • Impact (reduction in emissions and pollution, improved animal health and welfare) • Value for money	• Analysis of online survey (both successful and unsuccessful applicants) of Windows 1 to 3 by most/least popular items/item type and farm demographics • Comparisons between successful and unsuccessful applicants in relation to • In-depth interviews to understand why and how the scheme support worked well/less well
Process	• Interviews with key stakeholders (up to six WG officials involved in the design and implementation of the scheme). • Online surveys • In-depth interviews	• No. of applications (successful / unsuccessful) by item type, farm type, size, region etc. • Cost of programme implementation including admin costs • Scheme promotion • Application process • Claim process	• Analysis of SPG monitoring data by capital item type/objectives, by farm type and size, region, etc. • Data analysis of online surveys of both successful and unsuccessful applicants to demonstrate difference • Analysis of in-depth interviews with beneficiary businesses to identify key factors for maximising the scheme impact of SPG

Table 3.4: Evaluation Framework and Data Sources for SPG Windows 4 to 7

	Windows 4-7		
Evaluation questions	• Are the monitoring requirements for farm businesses sufficient to establish baselines to assess the environmental impact of the grant? • To what extent has the grant supported the economic, environmental and social aspects of sustainability and farm resilience? • What have been the drivers that have led farm businesses to access the SPG? • To what extent is language preference and use a factor in levels of engagement with the SPG? • How effective has Window 7, in particular, been in enabling farmers to reach compliance with the slurry storage capacity requirements of The Regulations by 1 August 2024?		
	Data sources	**Indicators**	**Methods**
Impact	• Interviews with key stakeholders (up to six) • SPG monitoring data & documentation • Focus groups	• Baseline impact on environmental indicators (emissions, pollutions, animal health and welfare) • Improved confidence to comply with slurry storage capacity requirements • Improved compliance with the slurry storage capacity requirements • Expected impacts on economic (improved efficiency, management and performance, etc.), social (confidence, networking, etc.) and environmental (emission and pollution)	• Comparisons between successful and unsuccessful applicants in relation to processes and expected impacts • In-depth interviews to understand why and how the scheme support was thought to be delivering the expected outcomes through thematic analysis, comparative qualitative analysis • Analysis of data collected through focus group discussions using thematic analysis
Process	• Survey (50 for non-beneficiaries and 140-150 for beneficiaries) • In-depth interviews (10) • Focus groups (5) • Scoping Interviews with key stakeholders (6)	• Application process • Claim process	• Comparisons between successful applicants and unsuccessful applicants • Thematic analysis of in-depth interviews /focus groups

4. Online survey of SPG applicants

An online survey was conducted to collect feedback from both successful and unsuccessful applicants of the SPG scheme. The survey aimed to gather insights into applicants' experiences, challenges faced, and overall satisfaction with the application process and outcomes. By engaging with applicants, the survey sought to identify areas for improvement and evaluate the scheme's effectiveness in achieving its objectives. The following section details the survey methodology, key findings, and insights derived from the responses.

4.1. Overview

The survey received 100 responses from SPG grant beneficiaries and 56 from non-beneficiaries. Most respondents were small farmers, with few staff.

Most respondents had an annual turnover above £100,000, with 75% of beneficiaries and 72% of non-beneficiaries in this range. Beneficiaries generally had higher turnovers, with 36% earning over £500,000 compared to 24% of non-beneficiaries.

Welsh Government services were the main source of awareness for the grant (58% of beneficiaries and 65% of non-beneficiaries), with beneficiaries also citing consultants and friends as sources. Beneficiaries frequently sought help from advisors (79%), whereas the majority of non-beneficiaries (52%) did not. Beneficiaries mainly received help with preparing business plans (66%), completing applications (55%), and providing supporting information (53%),

Common uses for SPG funding among both groups were slurry storage, livestock housing, and animal welfare, though beneficiaries reported higher percentages in each category. More non-beneficiaries intended to use the grant for renewable energy, but this result is limited by a small sample size.

In terms of economic impact, beneficiaries reported increased sales, turnover, and profits due to the SPG, with over half of them anticipating or seeing an increase in sales. Beneficiaries also saw job-related benefits, such as easier tasks and improved efficiency, while non-beneficiaries noted fewer gains. The survey results suggest high additionality of the scheme. External factors such as COVID-19 and Brexit negatively affected project implementation for beneficiaries.

Reasons for not proceeding with investments included lack of funding and technical knowledge. Some non-beneficiaries went ahead without the grant, often to improve efficiency or meet essential farm needs.

Both groups expressed similar business outlooks, with plans to gradually grow their businesses over time. However, non-beneficiaries faced more uncertainty, citing climate change and rising costs as concerns.

4.2. Profile of Survey Respondents

4.2.1. Number of Survey Respondents

A total of 100 responses were received from SPG beneficiary businesses and 56 from unsuccessful applicants.

Table 4.1: SPG Applicant Survey Response Rate Against Targets

Respondent type	Population	Target sample	Achieved	% of target achieved	% of population achieved
Successful applicants (Windows 1 to 3)	67	16	19	119	28
Successful applicants (Windows 4 to 7)	427	127	81	64	19
Successful applicants all windows (unique businesses)	481	143	100	70	21
Unsuccessful applicants	685*	57-90	56	98**	8**

Source: SPG scheme monitoring databases from RPW and online surveys conducted for this evaluation project.

Note *: The majority of these 685 applications were rejected at the EOI stage and only 81 of these applications proceeded to the appraisal stage. Low response rate was expected for this group as most of these applicants only had limited engagement with the scheme, having been rejected early in the process. As a result, they may have felt less inclined to participate in the survey, as their involvement did not progress to more substantive stages of the scheme.

Note **: percentage of the lower bound.

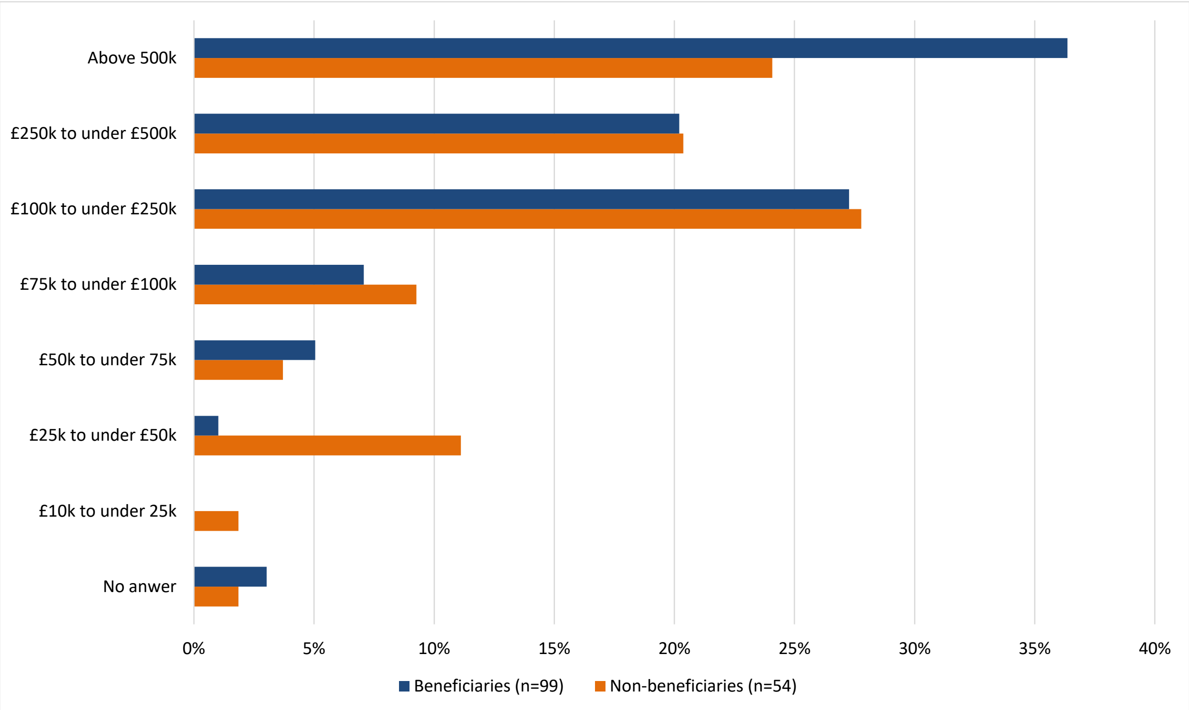
For the beneficiary survey, a total of 89 respondents answered as farmers, 10 respondents answered as both a consultant and farmer and only 1 beneficiary responded as solely a consultant. For the non-beneficiary survey, 51 respondents were farmers, 3 respondents answered as both a consultant and farmer and 2 responded as solely a consultant. The aggregated survey results were reported for farm businesses and the results from the consultant respondents were reported separately where relevant.

4.2.2. Annual turnover

The majority of both beneficiaries and non-beneficiaries had an annual turnover above £100,000 (see Figure 4.1), with 75% of beneficiaries and 72% of non-beneficiaries in this bracket. Overall, the reported turnover tends to be larger for beneficiary businesses compared to non-beneficiaries. It is worth noting that that scheme was launched during a period of uncertainty regarding CAP and Brexit, which caused lack of confidence in the future deterred many, particularly smaller farms, from proceeding with their investment.

Over a third (36%) of beneficiaries had an annual turnover above £500,000, compared to 24% of non-beneficiaries in this bracket. Over one fifth (20%) of both groups had an annual turnover from £250,000 to £500,000. Only, 19% of beneficiaries had an annual turnover between £100,000 and £250,000, compared to 28% of non-beneficiaries. A similar number of beneficiaries and non-beneficiaries had a turnover between £75,000 and £100,000 (7% and 9% respectively) and between £50,000 and £75,000 (5% and 4% respectively). However, 11% of non-beneficiaries had an annual turnover between £25,000 and £50,000 compared to only 1% of beneficiaries. No beneficiaries had an annual turnover between £10,000 and £25,000, whereas 2% of non-beneficiaries did.

Figure 4.1: Annual turnover of beneficiary and non-beneficiary respondents



Source: Beneficiary and non-beneficiary surveys conducted for this evaluation project.

4.2.3. Number of Staff

Table 4.2. shows the number of staff beneficiaries and non-beneficiaries employed. Although there is some variation in the numbers, the majority of both groups of respondents have staffing numbers of less than 3.

The respondents were mostly smaller farms, with larger businesses being relatively uncommon. Almost half of both beneficiaries and non-beneficiaries employed 2 to 3 full-time staff, indicating a predominantly small-scale workforce. Nearly a third of both groups had only one full-time employee, highlighting many small operations. About a quarter of beneficiaries and one fifth of non-beneficiaries employed just one part-time staff member.

Table 4.2: Number of full-time and part-time staff employed by respondents

Number of staff	Full-time staff		Part-time staff	
	Beneficiaries (n=99)	Non-beneficiaries (n=54)	Beneficiaries (n=99)	Non-beneficiaries (n=54)
None	3	6	2	4
1	16	17	14	11
2 to 3	29	27	19	15
4 to 5	9	7	7	7
6 to 10	2	2	1	2
11 to 20	0	2	1	2
21 to 50	0	2	0	1
51 to 100	0	0	0	0
101 to 250	1	0	1	0
251+	1	0	1	0
No answer	38	36	46	12
Total	**99**	**99**	**92**	**54**

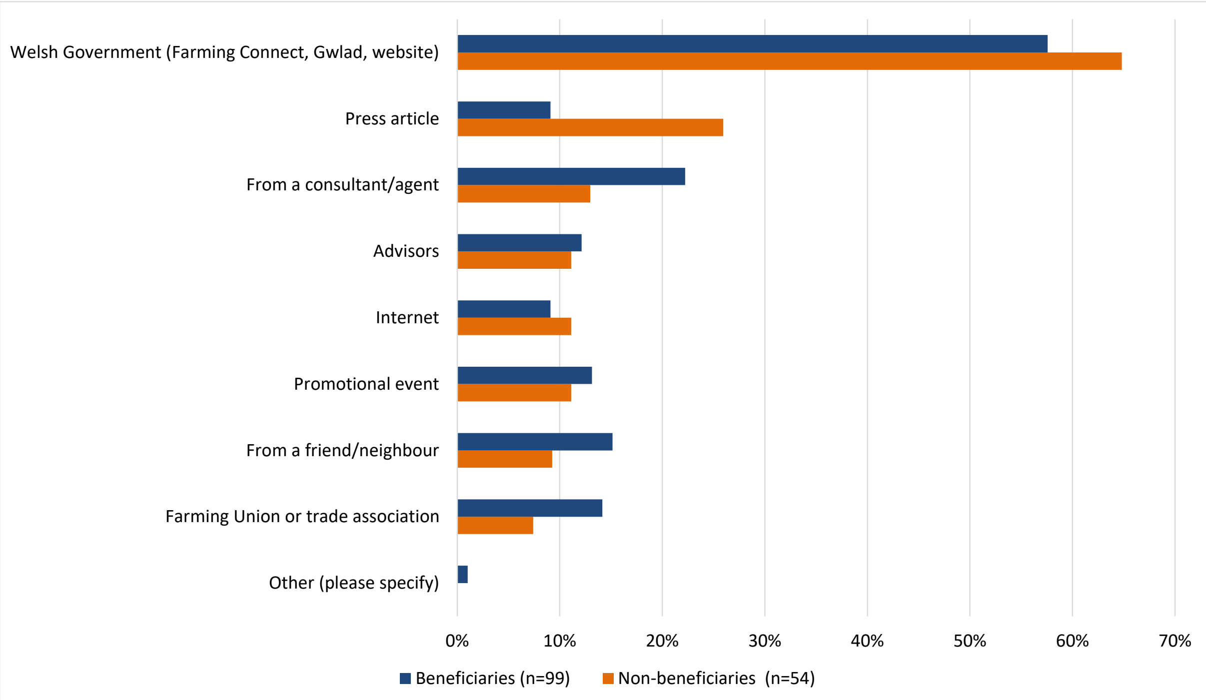
Source: Beneficiary and non-beneficiary surveys conducted for this evaluation project.

4.3. Grant Process and Application

4.3.1. Sources for grant awareness

Both beneficiaries (58%) and non-beneficiaries (65%) reported Welsh Government services such as Farming Connect, Gwlad and the official website as being the primary source of awareness for the SPG grant. Beneficiaries further noted consultants/agents (22%) and friends/neighbours (15%) as being other important sources of awareness for the grant. Non-beneficiaries stated press articles (26%) and consultants/agents (13%) as being other sources of awareness of the SPG grant.

Figure 4.2: Respondents sources for awareness of the SPG grant



Source: Beneficiary and non-beneficiary surveys conducted for this evaluation project.

4.3.2. Help received and cost/time input for making applications

The majority (79%) of beneficiaries had help from advisors or consultants with the application, whereas the majority (52%) of non-beneficiaries did not.

A majority of beneficiaries received help for three aspects of the application process:

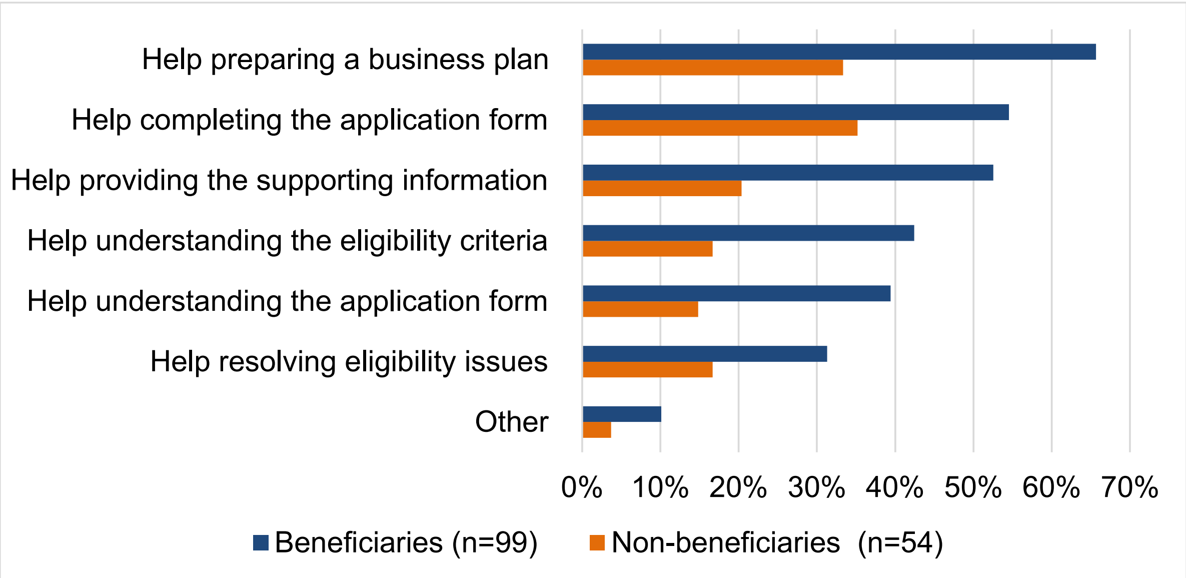
- preparing the business plan (66%)
- completing the application form (55%)
- And providing supporting information (53%)

These three aspects were the ones that non-beneficiaries were most likely to receive help with, although in a different order. Completing the application form was the most common aspect (35%), followed by preparing a business plan (33%) and providing the supporting information (20%).

A considerable number of beneficiaries also received help with other aspects such as understanding the eligibility criteria (42%), understanding the application form (39%) and resolving eligibility issues (31%), whereas very few non-beneficiaries did (17%, 15% and 17% for these three aspects respectively).

The result suggests that beneficiary businesses appeared to be more prepared and tended to seek more help on various important aspects of the application process than non-beneficiaries.

Figure 4.3: What help did beneficiaries and non-beneficiaries have in applying for the grant?



Source: Beneficiary and non-beneficiary surveys conducted for this evaluation project.

4.4. Non-Beneficiary Experience with the Grant

4.4.1. Intended use of SPG grant support

There was a large range of different intended uses for the SPG among the non-beneficiaries, although three categories were particularly common. Most non-beneficiaries intended to use it for slurry storage (25/54 or 46%), livestock housing and handling (24/54 or 44%) and for animal health and welfare (21/54 or 39%). These three categories were also the most common uses for SPG beneficiaries with 52% used for slurry storage, 40% for livestock housing and handling, and 32% for animal and welfare improvement.

The next most common uses were either for crop storage or silage, soil and crop management. There appeared to be a higher proportion of unsuccessful applicants intending to use the grant for renewable energy than scheme beneficiaries. However, this result needs to be interpreted with caution as the number of respondents of this group was very small.

Table 4.3: Intended use of the SPG support

Intended use	Non-beneficiaries (n=54)
Slurry storage	25
Livestock housing and handling (Windows 1-3)	24
Animal health and welfare	21
Crop storage	6
Silage	6
Soil and crop management	5
Renewable energy production	4
Other (specify)	4

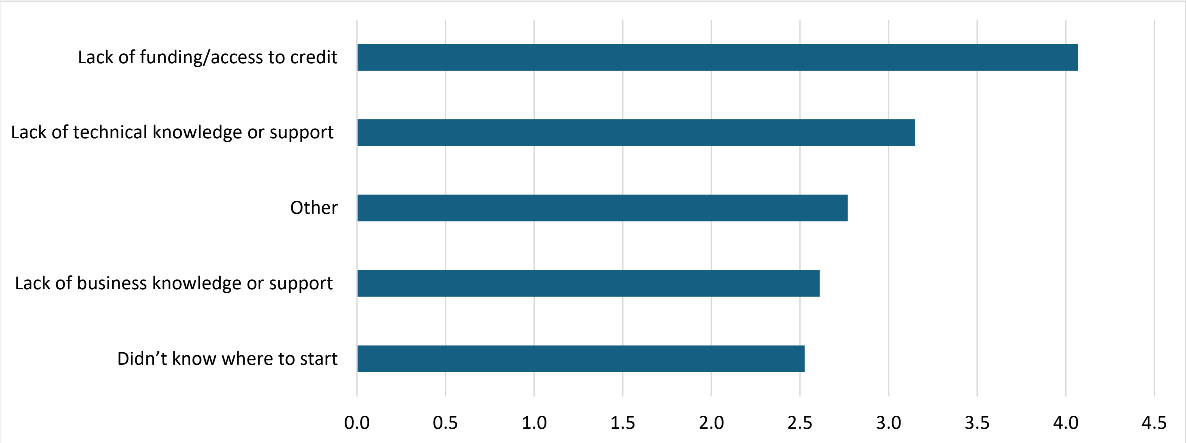
Source: Non-beneficiary survey conducted for this evaluation project.

4.4.2. Reason for not progressing with their projects

Non-beneficiary respondents were asked to rank the reasons why they didn’t progress with their plan on a scale from 1 (not relevant at all) to 5 (very relevant) after being unsuccessful with their applications. A lack of funding/access to credit was the most relevant reason with an average of 4.1 followed by a lack of technical knowledge or support (3.2). lack of business knowledge or support (2.6) and not knowing where to start (2.5) were viewed as less relevant reasons on average.

‘Other’ was also chosen as a reason why they did not progress with their projects. With an average of 2.8, non-beneficiaries who provided detail for picking the option stated escalating costs, family illness and planning approval as some of the reasons they did not progress.

Figure 4.4: Reasons why non-beneficiaries did not progress with their plans (n=54)



Source: Non-beneficiary survey conducted for this evaluation project.

4.5. Beneficiary Experience with the Grant Claims

4.5.1. Who has claimed grant support

Most beneficiaries that responded to the survey had claimed the grant support in full (73 out of 99). Other beneficiaries had either claimed some of the grant (16 out of 99) or had not claimed it yet (10 out of 99).

Table 4.4: Number of beneficiaries that have claimed the SPG funding

Category	Number of beneficiaries
Yes, all of it	73
Yes, some of it	16
No	10
Total	**99**

Source: Beneficiary survey conducted for this evaluation project.

Most beneficiaries that responded to the survey did not receive any help implementing the supported investment (75 out of 99). Of those that did receive support in implementing their investment, beneficiaries stated bank loans (7 out of 24), contractors (5 out of 24) and advisors/consultants (4 out of 24).

Table 4.5: Did the beneficiaries receive help in implementing the supported investment?

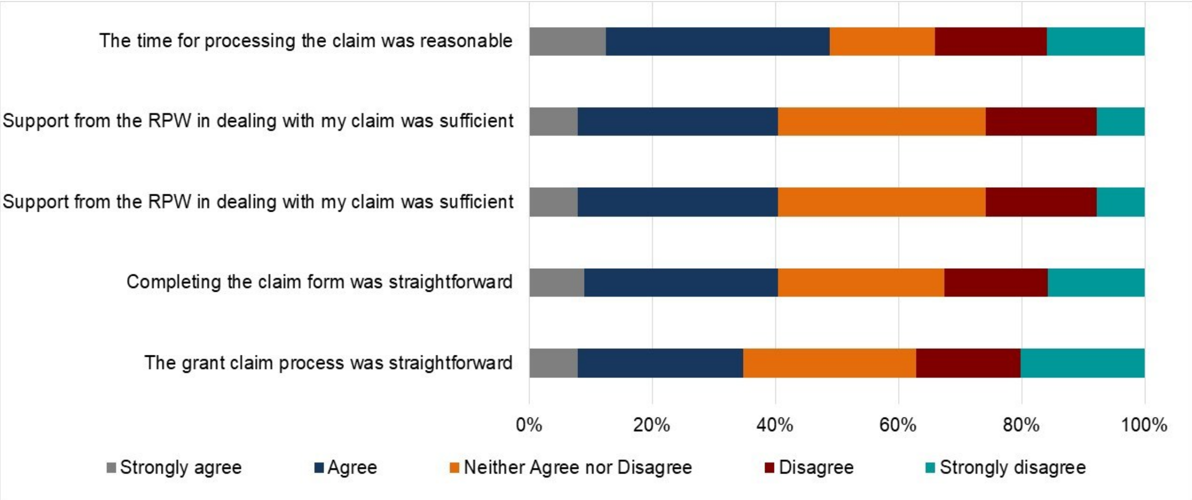
Category	Number of beneficiaries
Yes	24
No	75
Total	**99**

Source: Beneficiary survey conducted for this evaluation project.

4.5.1.1. Claims process

Beneficiaries were asked to rate from 1 (strongly disagree) to 5 (strongly agree) statements around the SPG claims and process (Figure 4.5). On average, most beneficiaries either agreed (29%) or neither agreed nor disagreed (25%) with the statements. The statement that beneficiaries strongly agreed on the most was the time for processing the claim was reasonable (11%). The statement that beneficiaries strongly disagreed with the most was that the grant claim process was straightforward (18%).

Figure 4.5: Statements rated by beneficiaries from 1 (strongly disagree) to 5 (being strongly agree) around the SPG grant claims and process (N=98)



Source: Beneficiary survey conducted for this evaluation project.

4.6. Impact of the Grant or Investment

Survey respondents of SPG beneficiaries (N=99) and non-beneficiaries (who went forward with the investment without the grant) were asked about the impact of the investment on employment, business sales, turnover, profit and trading costs of their farm businesses. The results were compared between beneficiaries and non-beneficiaries to illustrate additional impact that can be attributed to the SPG scheme.

4.6.1. Effects on jobs and businesses

Table 4.6 showed that beneficiaries regarded the grant as primarily making tasks easier/less physically demanding for the farmers (33%) and improving job efficiency (21%). Other famers stated that the grant had no effect on jobs within their business (15%). Some farmers also mentioned the effects of the grant on anticipated job safeguarding (13%) or increasing jobs (12%).

For non-beneficiaries (10 out of 54) that went forward with the investment without grant support, they noted that it improved job efficiency (7%). Although, others mentioned that jobs decreased (4%) or it had no effect (4%) on jobs within their business.

These results suggest a relatively high additionality of the scheme. Compared to non-beneficiaries, the SPG scheme provided additional benefits to beneficiaries in terms of increasing or safeguarding jobs, improving job efficiency and making tasks easier or with less physical effort and/or duration.

Table 4.6: Has the grant (beneficiaries) vs investment (non-beneficiaries) had any effect on jobs within your business?

Categories	Beneficiaries (%) (n=99)	Non-beneficiaries (%) (n=54)
Making tasks easier /less physical effort and/or duration	33%	2%
Improved job efficiency	21%	7%
No effect	15%	4%
Anticipated job safeguarded	13%	0%
Job increased	12%	2%
Job safeguarded*	3%	2%
Better job efficiency	1%	2%
Anticipated job increase	1%	0%
Jobs decreased	0%	4%
No answer	-	78%

Source: Beneficiary and non-beneficiary conducted for this evaluation project.

Note: *Jobs safeguarded are where jobs are known to be at risk over the next 12 months

4.6.2. Changes to the business as a result of the SPG grant/investment

Beneficiaries and non-beneficiaries were given four multiple choice questions on whether the project/investment had changed their business as a result (Table 4.7).

- Sales – A total of 51% of beneficiaries and 11% of non-beneficiaries either viewed an increase or anticipated increase in sales, while 42% of beneficiaries and 9% of non-beneficiaries reported ‘no change’.
- Profit – Beneficiaries stated an anticipated increase (41%) in their profit from their project/investment. Other beneficiaries noted an actual increase (22%). A much lower percentage of non-beneficiaries report an anticipated increase (6%) or an actual increase (7%).
- Trading costs – For Beneficiaries the two highest responses were ‘No change’ (26%) and ‘Anticipated decrease’ (20%). non-beneficiaries stated an increase (7%).
- Turnover –Beneficiaries that stated they did see either an increase or anticipated increase encompassed 51% of responses and for non-beneficiaries 10%. The category with the largest response for both beneficiaries (40%) and non-beneficiaries (7%) that answered the question was ‘no change’.

These results suggest that the SPG scheme had a positive economic impact on supported businesses in terms of increasing sales, turnover, and profit levels, or decreases in trading costs. However, the level of changes or anticipated changes reported by scheme beneficiaries and non-beneficiaries are similar. Anticipated changes (increases or decreases) are not actual changes but rather the projected future changes that respondents expect for SPG projects that have not been completed or proceeded.

Table 4.7: How farm businesses changed as a result of the project/investment

Categories	Sales	Profit	Trading costs	Turnover
Beneficiaries (n=99)				
Increased	26%	22%	11%	25%
Anticipated increases	25%	41%	15%	26%
Decreased	0%	5%	19%	1%
Anticipated decreases	0%	1%	20%	2%
No change	42%	24%	26%	40%
No answer	6%	6%	8%	5%
Total	**100%**	**100%**	**100%**	**100%**
Non-beneficiaries (n=54)				
Increased	7%	7%	7%	6%
Anticipated increases	4%	6%	2%	4%
Decreased	2%	0%	4%	2%
Anticipated decreases	0%	2%	4%	2%
No change	9%	7%	4%	7%
No answer	78%	78%	80%	80%
Total	**100%**	**100%**	**100%**	**100%**

Source: Beneficiary and non-beneficiary surveys of this evaluation project.

When asked if the grant support had a beneficial effect of improving productivity on the farm, beneficiaries predominately stated that it had (71%). The remaining beneficiary respondents noted that the grant support had not currently improved productivity but is expected to (20%) or had not improved it at all (8%).

For non-beneficiaries, 12 (out of 54) farmers went ahead with their project without the grant and they were asked whether the investment had improved productivity (Table 4.8). Out of the 12 farms, 8 of them were dairy farms and one was a large grazing livestock (low) farm. Dairy farms and large beef units were less reliant on CAP and had more confidence in future investments to expand. In terms of the impact of the investment, 8 out of 12 of the farmers stated it had improved productivity (and the remaining noted an expected improvement to productivity or no effect at all. The percentage of who reported improvement in productivity for non-beneficiaries (71%) is lower than that (15%) for beneficiaries.

Table 4.8: Farmers views on whether the investment had improved productivity

Categories	Beneficiaries (n=99)	Non-beneficiaries (n=54)
Yes	71%	15%
No, but expected to improve productivity	20%	4%
No	8%	4%
No answer	1%	78%

Source: Beneficiary and non-beneficiary surveys conducted for this evaluation project.

4.6.3. Impact on local businesses

Both beneficiaries and non-beneficiaries were split towards their awareness of their project on other local businesses. For the beneficiaries that noted an awareness of the impact of their project (49%) stated that they had provided employment of local contractors and/or consultants, used local materials and supported local community.

Similarly, non-beneficiaries that identified the impact of their project on local businesses also indicated it provided work for local contractors/suppliers and increased their farms turnover which in turn led to increased purchasing from local suppliers.

Table 4.9: Farmers awareness of any impacts of their projects on other local businesses, positive or negative e.g. buyers or suppliers, contractors

Categories	Beneficiaries (n=99)	Non-beneficiaries (n=12)
Yes	49%	50%
No	49%	50%
No answer	2%	-

Source: Beneficiary and non-beneficiary surveys conducted for this evaluation project.

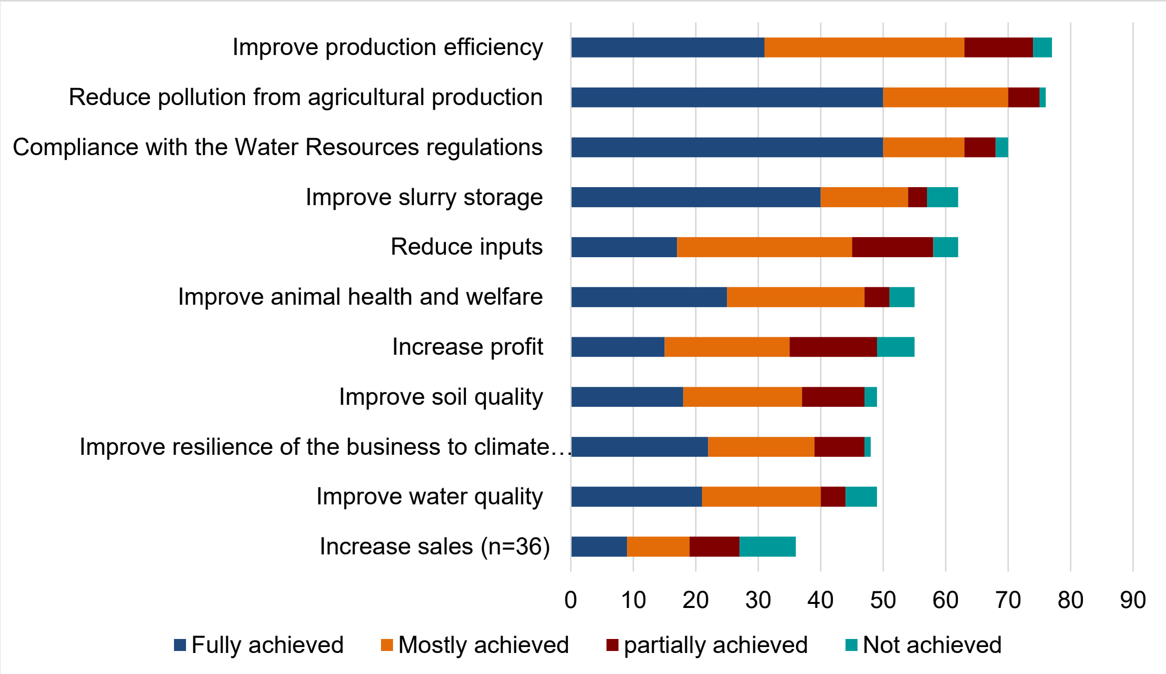
4.7. Beneficiary grant impact

Beneficiaries were asked what the main objectives of the investment for their farm was supported by the SPG grant. They were asked whether they had achieved the objectives specifically whether it had been partially, mostly or fully accomplished. Most beneficiaries stated that their objective of the investment was to improve production efficiency (77 out of 99), reduce pollution from agricultural production (76 out of 99) and compliance with the Water Resources regulation (70 out of 99).

- For improve production efficiency (77 out of 99), 82% of beneficiaries who chose this as their main objectives had either mostly or fully achieved it. A total of 14% had only partially achieved the objective or had not achieved it at all.
- For reducing pollution from agricultural production (76 out of 99), 92% of beneficiaries who chose this as their main objectives had either mostly or fully achieved it. 8% had either partially achieved it or not achieved it at all.
- For compliance with the Water Resources regulation (70 out of 99), 90% of beneficiaries who chose this as their main objectives had either mostly or fully achieved it. A total of 10% had either partially achieved it or not achieved it at all.

Overall, most beneficiaries on average had either fully achieved (41%) or mostly achieved (31%) the main objectives of the investment supported by the grant. An average of 15% had partially achieved it and 12% had not achieved it. No significant differences were found between Windows 1 to 3 and 4 to 7, largely due to the small sample size for Windows 1 to 3 (fewer than 20 respondents reported a specific benefit). Despite the lack of statistical significance, it appears that a higher percentage of beneficiaries from Windows 1 to 3 reported that their objectives were fully or mostly achieved compared to beneficiaries from Windows 4 to 7. The only exception was in achieving compliance with the Water Resources (Control of Agricultural Pollution) regulations, where a higher percentage of Windows 4 to 7 beneficiaries reported success (i.e. the objective being fully or mostly achieved).

Figure 4.6: Main objectives of the investment supported by the SPG for their farm

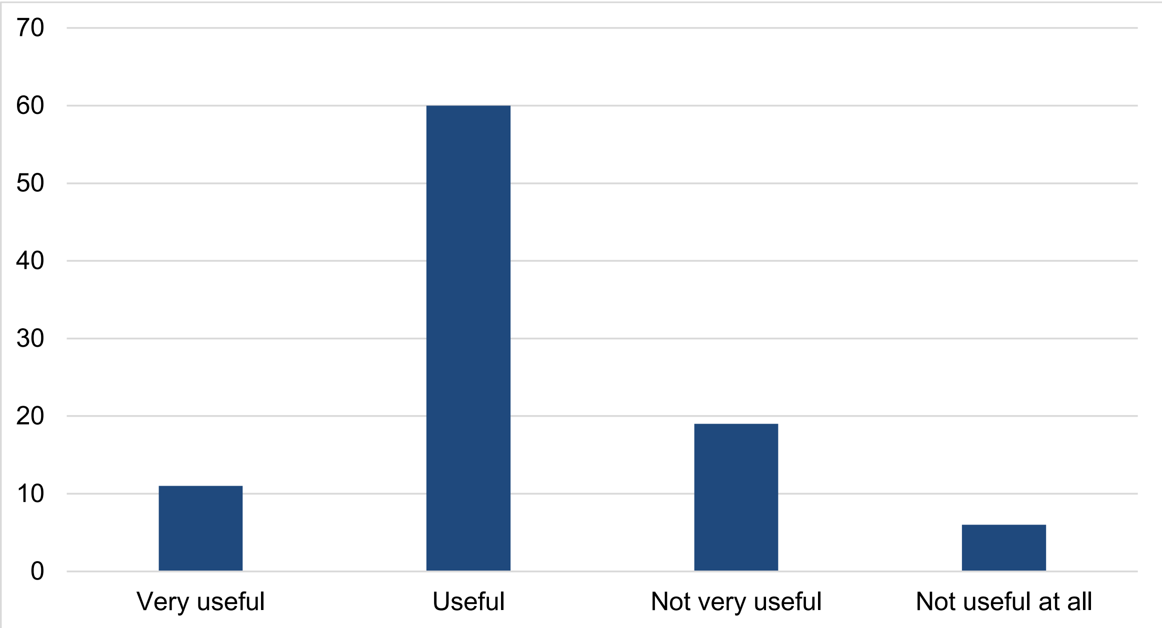


Source: Beneficiary survey conducted for this evaluation project.

Beneficiaries were asked if the business plan prepared for SPG funding had been helpful (Figure 4.7). The majority stated the business plan had been useful or very useful for them (71%). Those that saw the business plan as very useful or useful predominately mentioned its benefits in creating a focus for the farm, helping them reflect on costs and using it to plan for the future.

The beneficiaries that viewed it as either not very useful or not useful at all (25%) stated the business plan was just an exercise for achieving the grant support or volatile markets and prices meant that it was no longer useful.

Figure 4.7: Has the business plan prepared for the SPG application been useful?



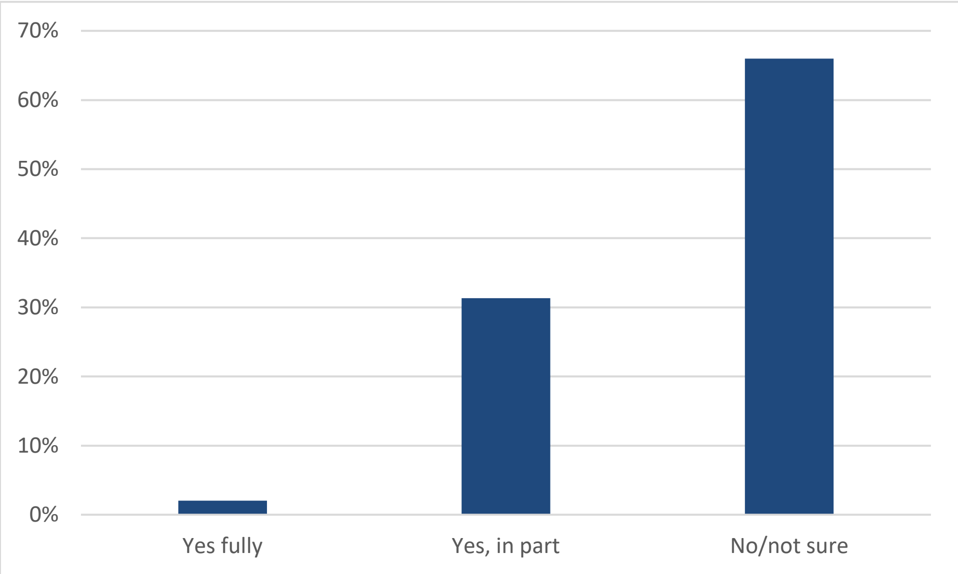
Source: Beneficiary survey conducted for this evaluation project.

4.8. Additionality of the grant

Beneficiaries were asked if they would have gone ahead with the project if they had not received the grant. The survey results show that only two beneficiaries (2%) would have gone forward with their investment in absence of the grant (full deadweight), 31% would go forward partially without the grant (partial deadweight). This indicates a relatively high level of additionality or low level of deadweight.

This result is consistent with the non-beneficiary survey, seven (13%) of the 54 non-beneficiary respondents reported that they went forward with their investments without the grant and a further five (9%) stated that they went forward in part.

Figure 4.8: Would beneficiaries have gone ahead with the project if they had not received the grant



Source: Beneficiary survey conducted for this evaluation project.

4.8.1. Reasons for going ahead without the SPG grant

When beneficiaries were asked why they believed they would have gone ahead with the project without the grant, only two farmers responded. Both stated they would have gone ahead with the project to make more efficient use of resources such as energy and water on their farms.

Non-beneficiaries that went ahead without the grant did so for various reasons (Table 4.10). Most respondents' chose the option 'other' (33%). When given the option to expand, non-beneficiaries commented that the project needed to be built whether they received support or not, to improve welfare, productivity or quality of their farm. Many non-beneficiaries stated that they went ahead without the grant to maintain or increase income from the business (25%) or to make more efficient use of resources such as energy and water (25%).

Table 4.10: Why did you go ahead without the grant? (non-beneficiaries only)

Categories	Non-Beneficiaries (%)
Funding available from elsewhere	0%
Staff not fully occupied	0%
The need to reduce costs	17%
The need to maintain or increase income from the business	25%
To make more efficient use of resources such as energy and water	25%
Other (please specify)	33%

Source: Non-beneficiary survey conducted for this evaluation project.

4.8.2. Potential Consequences vs consequences of not receiving the SPG grant

Beneficiary farms were asked about what would have happened in the absence of the grant (Table 4.11). Of those (66%) who did not answer this question, they stated that they would not have proceeded with the investment without the grant. Of those (13%) who did not receive the grant would have caused the project to progress more slowly, and 10% said that it would have delayed the project. Few (7%) said it would have happened on a smaller scale, and 2% mentioned they would have used second-hand equipment.

For non-beneficiaries (Table 4.12), 7% said that receiving the grant would have meant their project would have happened more quickly, and 2% said it would have happened on a larger scale. The remaining 91% did not proceed with the investment due to being unsuccessful with their grant application.

These results suggest a relatively high additionality of the grant support. For example, full deadweight of less than 5% and partial deadweight of 20% to 30%.

Table 4.11: Which of the following would have been the consequences for your project, if you hadn't received the grant? (beneficiaries only)

Categories	Beneficiaries N=99
It would have happened more slowly	13%
It would be on a smaller scale	7%
It would have happened at a later date	10%
Less spend on product development / marketing	0%
Use second hand equipment	2%
Other	1%
No answer	66%

Source: Beneficiary survey conducted for this evaluation project.

Table 4.12: What would have been achieved if you had received the grant? (non-beneficiaries only)

Categories	Non-Beneficiaries N=54
It would have happened more quickly	7%
It would be on a larger scale	2%
No answer	91%

Source: Non-beneficiary survey conducted for this evaluation project.

4.8.3. External influencing factors

Beneficiary farm businesses were asked about the external factors that negatively impacted the ability to use the grant support and the most frequently reported factor was COVID-19 (the vast majority were from Windows 4 to 7 applicants), followed by Brexit (see Table 4.13). For those that chose ‘Other’ and provided an open response, external factors that negatively impacted them were mentioned, such as cost inflations, project delays or further delays in receiving their payment.

Table 4.13: Extent of external factors that negatively impacted the ability to use the grant support

Category	Percentage (N=99)
COVID-19	48%
Brexit	37%
Cost of living	29%
Other	23%

Source: Beneficiary and non-beneficiary surveys conducted for this evaluation project.

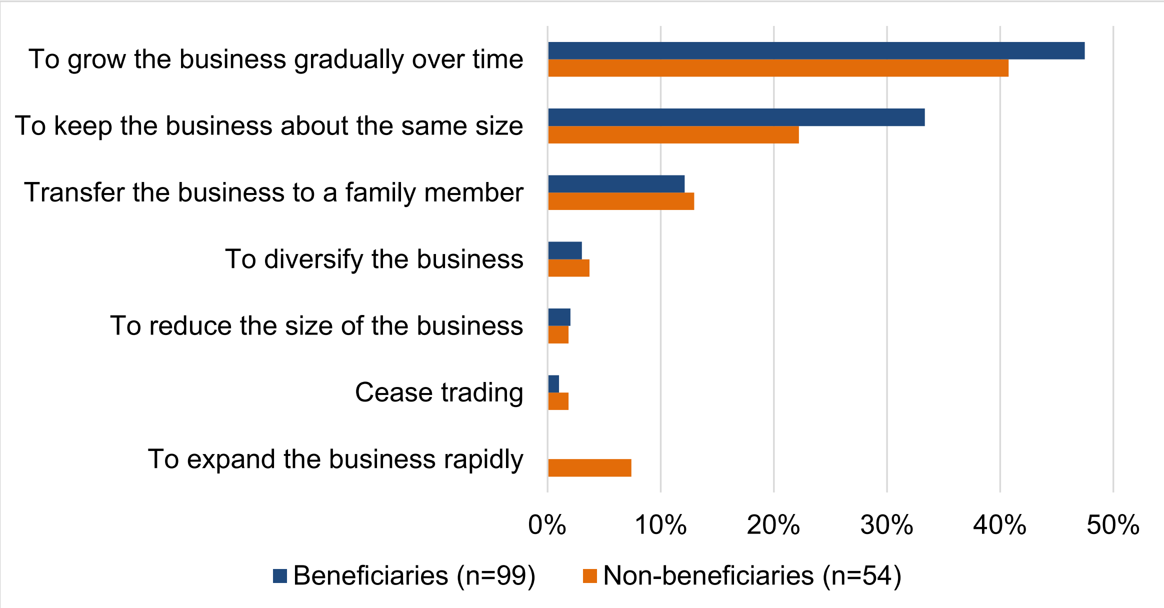
4.9. Business Outlook

4.9.1. Future plans

When asked about business outlook, beneficiaries primarily viewed their future plans as to grow the business gradually over time (47%). This was followed by keeping the business the same size (33%) and transferring the business to a family member (12%).

Non-beneficiaries had a similar business outlook. Most viewed their future plans as to grow the business gradually over time (41%). This was followed by keeping the business the same size (22%) and transferring the business to a family member (13%). Those that chose other (9%) were unsure of their future and noted factors such as climate change, increased cost of living and Welsh Government as factors which caused their uncertainty.

Figure 4.9: Farmers' future plans for their business

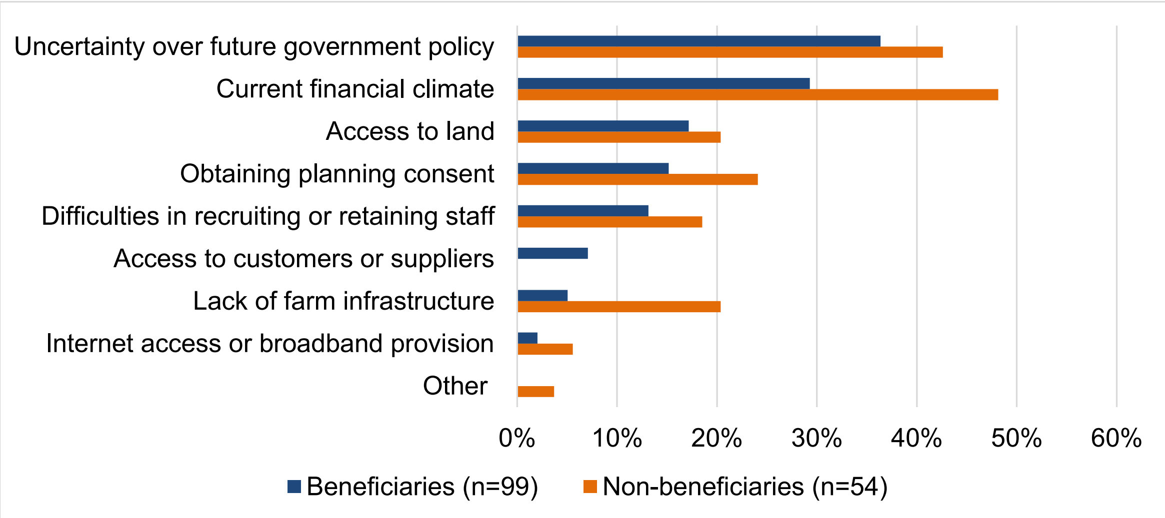


Source: Beneficiary and non-beneficiary surveys conducted for this evaluation project.

4.10. External Factors

Respondents were also asked if any external factors might make it difficult to grow or diversify their business. Beneficiaries mainly viewed uncertainty over future government policy (36%), current financial climate (29%) and access to land (17%) as their largest concerns. Non-beneficiaries principally stated current financial climate (48%) as their biggest concern, with uncertainty over future government policy (43%) and obtaining planning consent (24%) closely following.

Figure 4.10: External factors affecting farmers ability to grow and diversify their business



Source: Beneficiary and non-beneficiary surveys conducted for this evaluation project

5. Interview case studies (Windows 1 to 3)

5.1. Overview

The interview case studies provide a look at the effectiveness of the SPG scheme management and its processes from the perspective of the recipient while illustrating the needs and impact it had for them. This adds a more in-depth understanding of beneficiaries' perspectives from Windows 1 to 3 on the SPG and builds upon the questions of the survey to provide a qualitative discourse from the recipients on their experience. The objective of the interviews was to gain a contextualised understanding of the farmer's experience with the grant, any challenges they faced, the grant's impact, and any recommendations they could provide for its improvement.

A total of 10 farmers were interviewed from Windows 1 to 3. The participants represented a range of farm types, including dairy, beef, sheep, poultry, and mixed farms (beef and sheep, and arable or dairy and arable). These projects aimed to either further invest in their current enterprises or expand into new ones.

In summarising the findings of the case studies, most were grateful for the grant and the financial support they received towards the investment. However, they also encountered various challenges and restrictions. The primary challenges included difficulties in understanding the application process, delays between implementing and claiming the grant and the expenses associated with using consultants to assist with applications. Some farmers specifically mentioned issues with 'Sell2Wales' and the requirement to provide three quotes for capital items.

Regarding the impact of the grant, farmers reported achieving many of the objectives outlined in their business plans and applications. They observed increased productivity and profitability directly resulting from the investment supported by the grant. Some also noted that it enhanced the resilience of their businesses in dealing with external factors. However, it is worth mentioning that some farmers expressed concerns regarding the significant debt incurred due to the match funding requirement. Additionally, they faced cash flow challenges as they had to borrow funds for expenditures before claiming the grant based on receipted expenses. However, this risk was assessed through the cash flow in the Business Plan required as part of application process, covering the period of defrayment.

Other impacts constituted environmental benefits in terms of clean water, less water runoff or slurry spreading and a reduction in overall emissions. Farmers had also viewed an impact of the grant and investment on their local economy with many stating further employment, increased purchasing/selling to businesses, though most felt it was short term during the project's construction and using local suppliers and constructors.

Additionality was also assessed through whether the farmer would have gone ahead with their investment despite not receiving the grant. Most had noted they would have gone ahead with the investment, but at a smaller scale or over a longer period. The grant allowed the investment to become a definitive decision for the farmer and develop or quicken the project.

Farmers were also given the chance to provide recommendations on how the SPG scheme could have been improved or how future schemes could be better suited to them. Farmers made various suggestions including:

- it needs to be a standard option or standard cost
- more support from WG with local planning authorities
- providing more support for consultancy costs
- reducing time needed for claiming the grant
- making the guidance and process of application as simple and understandable as possible
- providing a dedicated contact in charge of their case to provide support if needed
- providing flexibility to change their capital item

5.2. Farmer 1 – Dairy Enterprise

5.2.1. Background and application process

The farmer stated that they were a ‘mixed enterprise’ but primarily dairy with 235 hectares of land. Before the grant application, the challenges they initially faced were that the facilities they used were going out of date. The farmer used the grant to invest in a green field site, building a new milking parlour and creating a slurry pit to keep their farm up-to-date and manageable.

They applied for the SPG to further the investment they had already made. This meant increasing the size of their dairy herd to 240 cows (1/3 expansion) and expanding the milking parlour to automate and add additional units.

When applying for the grant, the farmer used a consultant, stating that initially, they had difficulties in understanding the application process. However, they felt as though they were knowledgeable enough that they should have been able to do it themselves.

The farmer had a negative experience with the application cost (consultant fees) and further stated that they would not recommend applying for the grant if a farmer relies on it for their capital investment.

5.2.2. Business plan

Reviewing their business plan, their main objectives for the grant were to:

- increase output to address the reduction in the basic payment scheme
- meet cashflow needs

The proposed project, it was hoped, would give them the opportunity to increase productivity through increasing yield from forage, increase cow numbers, and adopt new management practices with new machinery, thus helping them avoid becoming uncompetitive.

The farmer noted that the business plan was not useful to them. They already had a business plan in place, from which the SPG business plan had been adapted. The farmer further stated that they did not achieve the objectives set out in the SPG business plan due to Agri-pollution Regulations Wales (2021) regulations and Bovine tuberculosis (bTB). The farmer had to invest more and reduce their stock which deviated from their original objectives.

5.2.3. Impact of the grant

The farmer stated an increase in productivity and profitability, noting that the investment was impactful for their business. They explained the biggest impact was better welfare and housing facilities but questioned whether this was due to the grants impact or the investment they were already undertaking.

In terms of resilience and efficiency, the farmer felt the grant did not impact this. They stated that it had made them more vulnerable in the short term. This was primarily due to the grants claim process not matching how they operate. As the farmer received multiple invoices from various contracts over time, which they stressed was a cheaper option for them, the grant system ‘didn’t like it’. They further stressed that a more flexible approach to the grant process was needed to enable them to make changes to the process as they go. The farmer also stated the impact of the delayed ‘cash flow’ from the grant was a big risk to them. Though the final capital costs covered the project, many of the components went up in price so other components had to be taken out.

For environmental impact, the farmer stated that it didn’t really support any long-term environmental impacts. They noted that it was ‘in the past’ and was something the farmer had been looking into themselves.

In terms of supporting/developing local suppliers and businesses, the farmer noted that it had undoubtably helped in the short term. They used local businesses but found that the website, ‘Sell2Wales’ was not intuitive and not fit for purpose.

5.2.4. Additionality and improvements

Although they noted a dissatisfaction with the grant and its process, they felt that they would have not made the investment without it.

> “If there hadn’t been the grant, we would have gone out of dairying… But having experienced the grant, I wouldn’t do it again.”

The farmer suggested two main improvements that future grants needed to be able to function well:

- It needs to be a standard option or standard costs similar to what had happened under the Farm and Horticultural Development Scheme [footnote 11]. The style of management/cost system was more suited to them than the SPG and having to go through many invoices.
- Planners should not attach loads of additionalities and requirements. It needs to be more straightforward.

Footnotes

[11] https://www.gov.wales/horticulture-development-scheme

5.3. Farmer 2 – Beef and Sheep enterprise

5.3.1. Background and application process

The farm stated they were a beef and sheep enterprise which was reliant on single farm payments and has diversified into holiday outlets. A major challenge the farm faced is the risk of bTB. If the farm were to lose the added value from selling breeding stock, it would put the business at risk. The farmer explained that they were looking for something to attract people to work for the farm. With the main objective to make money in a sustainable way, the farm's SPG application was for a free-range poultry setting.

The farmer deemed the application process to be fair but mentioned that during the investment they ran into some unexpected circumstances, which delayed the project. There was also a minor challenge with regards to supplier access and found difficulties in meeting their quality criteria. This stemmed from the farmer preferring value for money, rather than the lowest price, resulting in only three suppliers being available to choose from. Despite these factors, the farmer noted that it did not affect the grants process or claims for them overall.

5.3.2. Business plan

The farmer stated that they utilised a consultant for developing the business plan which was accepted on the second attempt. The business plan stated the following objectives:

- increase the profitability of the business
- ensure that the business can meet its cash needs
- introduce a new 32,000 Free Range bird enterprise to provide a new income stream
- maintain suckler cow numbers at 200 head and increase the value of high genetic merit breeding stock offered for sale
- improve the margins from the sheep enterprise by selecting genetics that suit a grass and forage-based sheep system

The farmer believed that they had achieved and outperformed the objectives detailed within their 5-year business plan and the final capital costs were under what was first proposed. Although, they did not look back at the business plan after using it for applying for the grant. Instead, they had progressed over the years and created other business plans since the one they used for applying for the SPG.

5.3.3. Impact of the grant

The biggest impact was seen in the building of resilience for the farm. While the farm had experienced a bad year of egg production, the grant progressed the sustainability of the farm and the investment had enabled them to overcome the challenge easier.

> "In life you get half a dozen chances to better yourself, this was one of them."

The farmer had also stated that the grant enabled them to invest in the business and improve the 'weak links'. They explained that due to the investment, they currently employed 20 Welsh speaking workers on their farm as they recruited a manager and four part-time workers. This would help to aid them to invest again going forward. The grant had also helped the farm's productivity and profitability with the production of a poultry shed. The shed led to much higher output on their farm and allowed for further benefits as they were now producing their own manure and spreading it more strategically resulting in 50% fertiliser cost reduction on their farm.

> "It's also created a lot of employment. Which has gone into the local community. It's benefited us and benefited everybody. I think that's good business."

The farmer noted that the ability to invest in equipment, agronomy and genetics had led to their Key Performance Indicators (KPIs) improving immensely. The farmer called the SPG a 'game changer' and they were keen to pursue more funding like this. Although, the farmer explained that the grants they were now applying for were not as impactful as SPG was, due to the smaller grant and payment size.

5.3.4. Additionality and improvements

Overall, the grant assisted in changing the farm's business practices to become more efficient and resilient. The farmer had no negative feedback about the grant process or experience. Furthermore, the farmer stated that they could not have made the positive changes on the farm without the grant. The farmer suggested one area for improvement:

> "Planning can be a stressor, particularly if it is a big project as it is challenging to get the planning permission. A grant or the Welsh Government may support a proposed project, however, the local government may not allow it. This can mean that a farmer loses the money they invested upfront in planning."

5.4. Farmer 3 – Organic Dairy enterprise

5.4.1. Background and application process

The farmer stated that they were a tenant with 140 acres and around 80 cows producing organic milk. They explained the need to organise and upgrade facilities on the farm. With the SPG, they had purchased land, a new dairy facility, a new cow shed (with 40% of costs covered) and were also able to implement robotics to assist with milking. The farmer reported that the grant allowed adding robotics as it made the costs on par with traditional milking production.

5.4.2. Business plan

The farmer used an outside consultant to develop the business plan. Although, they already had numerous plans which they were able to incorporate into the application. Detailed in the business plan, the project had three requests:

- firstly, to develop a dairy facility at a newly purchased farm to enhance management practice and cow welfare, as well as other infrastructure (e.g. automatic scrapers, borehole water supply and rainwater harvesting)
- secondly, to buy two new DeLaval VMS robots (robotic milking system) to increase both cow numbers and yield
- thirdly, to install a PV Solar power system to generate green power to serve the energy requirement of the farm and new system. Alongside KPIs which were to be measured, other outcomes were expected. These included safeguarding two full-time equivalent jobs reduced calving intervals to 365 days, mastitis to under 30 cases (top 25% performance) and increase yield from forage to 3500 litres

The farmer perceived the time lag between making the application and receiving as well as spending the money as too long. Particularly with changing costs, they found that the grant did not allow the ceiling to change. This led to the enterprise overspending. During the project, the business plan needed to be adapted to increase the number of cows.

5.4.3. Impact of the grant

Whilst the SPG funding led to the farm increasing the herd size, external challenges led to a dramatically different result from their expectations in their business plan. Factors such as COVID-19 caused prices to decrease, alongside the herd having bTB and the cost of electricity tripling in price meant that the final capital costs were not in line with the business plan. The farmer suggested that the SPG could have supported the farm enterprise more if it had allowed for justifiable increases in the amount they received due to change in costs.

5.4.4. Additionality and improvements

The farmer determined that without the SPG, they would not have implemented such a modern system but would have gone ahead with a more traditional or basic one, stating that their main challenge with the SPG was the website, ‘Sell2Wales’. They received only three quotes and so the farmer asked other suppliers to register to provide quotes. The farmer perceived the quote for a shed to be much more expensive than suitable and so they strived to obtain competitive quotes. Thus, they felt browsing the website was not an efficient use of their time. Instead, the farmer used local suppliers. They suggested three areas for improvement with the SPG:

- reduce or eliminate professional fees - the farmer was displeased that they had to spend £3,000-£4,000 on professional fees to fill in forms for the SPG application. This was unexpected and cut into their budget
- reduce the time between receiving the application and approving the budget - the length of time was an issue, as the costs increased after they had received approval of the application
- make more local suppliers available on the procurement website

5.5. Farmer 4 – Poultry Enterprise

5.5.1. Background and application process

The farmer explained that they were an upland farm and had very limited options at diversifying due to access because of their location. In 2012 they diversified into renewable energy erecting two turbines and later started a poultry enterprise (broilers) with an investment upwards of £1.2 million.

The farmer applied for the SPG grant and was successful on their second attempt. They noted that the reason for applying was to increase revenue and making the farm manageable for later succession. When applying for the SPG, the farmer had done it themselves as they also worked as a consultant/diversification mentor. They found the scoring system helpful and how they could put achievable objectives that fit into that scoring. Overall, the farmer noted the application process was a lot easier than the claims process. When claiming, the farmer had issues with uploading information, having to wait a long time to claim and the website that was used 'wasn't user friendly' and the instructions were hard to follow.

5.5.2. Business plan

On reviewing their business plan, they stated that their objectives for the investment were the following:

- broaden our enterprises
- enter a growing sector
- improve cash flow – 38-day turnaround.
- reduce fertiliser costs by utilising the poultry litter
- reducing demand on fossil fuel
- preparation for succession
- growing the business on the home unit to remove vulnerability against the dependence on rented land

The farmer stated that they had found the business plan a helpful process as they were able to see the gaps in funding or 'pinch points' or where the cash is coming from. This helped them later in getting financing from the bank. Reflecting on the objectives they had set out in the SPG business plan, the farmer felt they had achieved in increasing profitability of the farm and sustainability through producing food for a growing market succession.

The farmer noted that they did not have a 'live business plan' but rather an updated plan focused on diversification, extending beyond the original objectives.

> "We have diversified further into tourism and there is a company that set up on that diversification that does have a business plan."

5.5.3. Impact of the grant

The impact of the grant was largely in terms of resilience and sustainability on their farm. The investment allowed them to diversity their business and move away from relying solely on red meat. They further mentioned that the grant support had given the banks confidence in allowing them to do the two sheds to further help the expansion and resilience on their farm.

In terms of environmental impact, the farmer noted that the creation of storage for poultry manure meant that they had not purchased/imported any in 2023. Furthermore, they now had the flexibility and control of when to spread the manure on their farm.

> "It's that footprint that goes with that as well, isn't it? You know, it's those less lorries and less haulage and you know, we aren't using the tractors to spread."

The farmer had also mentioned the impact in business development and contribution to the local economy. They were now employing people to run the poultry shed that are local and have used local business to construct the investment. They further support the local feed mill, local cleaners and local electricians who look after the investment they made. They also support local timber suppliers through their biomass unit as well.

> "What the poultry shed has done for our business has been far greater in value to the wider economy."

5.5.4. Additionality and improvements

The farmer stated they would not have gone ahead with the investment at the scale they did if they had not received the grant. They were grateful for the grant and when reflecting on the later grant Windows (4 to 7) noted that the amount they received would have a much large impact in changing profitability and bring more to the farm than the smaller amount in the later grant windows that was available.

In terms of improving SPG and future grants, the farmer noted that any guidance for the application or claims process needs to be logical and straightforward for farmers. The farmer did not want protracted guidance that was difficult to access and remember.

5.6. Farmer 5 – Mixed Enterprise

5.6.1. Background and application process

The farmer is around 800 hectares of mixed arable, sheep and beef. The main challenge they had before applying for the grant was an inefficient way of drying and storing grain. They noted that it burned a lot of fuel and took a lot of movement to accomplish the task.

In applying for the SPG, they wanted help to fund an investment which streamlined and modernised their whole system of grain handling, storage and drying. When trying to obtain three quotes for the investment, the farmer explained that it was a difficult process with many local contractors having to be let down. The contractors had to register on S2W site. This is quite complex and only the larger ones were engaged. Many local contractors were not eligible.

5.6.2. Business plan

Reviewing the business plan, the investment stated its objectives of improving the weak link in their business which was outdated grain drying and storage facilities. This would help them to become well placed to meet store crop assurance requirements and provide flexibility to market their crops.

The farmer stated that they used a consultant for the application and writing of the business plan. They did not find any difficulties producing it, as the consultant did most of the work and they just gave them information on their farm. In terms of objectives, the farmer felt they had achieved what they outlined in the business plan mentioning the reduction in emissions and fuel usage on their farm. They have now moved on from the business plan they produced for SPG and have a new one which encompasses further expansion of their farm into a poultry unit and a farm shop.

5.6.3. Impact of the grant

The grant had helped productivity and profitability of their business through fuel savings. They had also noted that it increased staff morale and welfare as the whole system became more efficient.

In terms of resilience the farmer felt the investment had benefited them greatly. With the creation of grain storage, the farmer gained more flexibility in when they could sell their grain, as well as protection from extreme weather as they could choose when to harvest and store it.

> "The challenges with climate change as well as weather extremes. It added a lot more business resilience to be able to combine the whole crop and also sell them at more strategic times."

The farmer had observed an environmental impact from receiving the grant that supported their investment. With the reduction of fuel costs and drying costs down by 50% as they replaced many of their vehicles with automation, The farmer stated that they had managed to reduce emissions produced on their farm.

Another impact was the development of local suppliers around them. They had used local developers and suppliers to construct the investment, as well as local electricians with whom they have now built a long-term relationship, as they support their farm with other needs.

5.6.4. Additionality and improvements

The farmer felt that they could have claimed more from the grant but didn’t want to be ‘greedy’. They were happy with what they got and stated that it made a big contribution to their investment. In terms of improvement, the farmer felt that the process was ‘long winded’ and using a consultant for the application came at a large cost. On future grants, they stated that they need to be more user friendly and understandable for farmers who have never applied for grants before.

5.7. Farmer 6 – Beef and Sheep Enterprise

5.7.1. Background and application process

The farmer explained that they were an organic beef and sheep farm that wanted to modernize and expand their enterprise before applying for the SPG. They noted that a challenge they had was finding good labour and relying on it.

When applying for the grant, the farmer stated that the ‘Sell2Wales’ was difficult to use and was not very straightforward. The farmer felt it was not easy for someone who had not done it before and that even their consultant they used found it difficult. They farmer took a critical stance and mentioned that the consultant they got to do the application had done what they had but used ‘bigger words’ and placed things better to make it sound more like an ‘interesting story’ for the application.

5.7.2. Business plan

Reviewing the business plan, the main purpose of the project was to improve various facilities and increase stocking across the farm, specifically the beef enterprise. The main objectives outlined in the business plan were to increase productivity, enhance livestock management and minimize the labour-intensive nature of the farm.

The farmer stated that the objectives outlined in the business plan they produced for the SPG were either achieved or were still progressing. They noted that they no longer use a business plan but had ‘one in their head‘. They are also currently involved with the Growing for the Environment grant.

5.7.3. Impact of the grant

The farmer stated that the grant and investment had helped in challenging times with costs, feed and fuel. They further mentioned that it helped to increase efficiency and production with them making a profit despite being the sole worker on the farm.

> “I didn’t just do one specific project with it, so I can do everything by myself. It’s not just a grant for that day, it’s a grant for the rest of my lifetime. As long as I’m here.”

Whilst the only negative environmental impact perceived from the farmer was increased fuel costs, they mostly noted the grant as being beneficial. This was due to the farmer having clean yards and no longer having dirty water. They further explained that they no longer spread in the wintertime, crops were now pushed in with a seed drill and although they were now producing three times as much beef, they remained carbon neutral.

> “We had a carbon footprint done the other day and we were carbon zero. So, producing 70 tons of beef and 38 tons of lamb and still carbon neutral”

The investment benefited local suppliers and businesses. The farmer stated that everything was sourced within 8-10 miles for the investment which was good for the local economy and provided a short-term benefit to it.

5.7.4. Additionality and improvements

When assessing the additionality, the farmer stated that they would have gone ahead with the investment without a grant, but it would have been over a longer period. The grant allowed them to accelerate the process.

When asked what could be improved with SPG and future grants, the farmer stated that they struggled with the paperwork need to apply for the grant and were not familiar with the process. Despite this, they emphasised that it was good that small farmers were able to get the grant and the person in charge of the ‘case’ or application in Welsh Government had been very helpful to them.

5.8. Farmer 7 – Dairy Enterprise

5.8.1. Background and application process

The farmer interviewed was an enterprise of 1050 acres with 340 cattle. They explained the need to improve the calving facilities and dry cow management to improve the welfare of their animals.

The application process was done by a consultant and the farmer didn't experience any difficulties when applying. However, the farmer noted that having a consultant do it was a costly exercise. When it came to claiming the grant, the farmer noted that certain items had become more expensive due to the time delay between application stage and claiming the grant.

5.8.2. Business plan

Reviewing the business plan, the main goals were to increase the profitability of the business, make full use of the resources available on the farm and secure the future of the business. The objectives mentioned:

- the need to increase milk sales
- monitor input costs to minimize
- benchmarking against other producers
- generate profit to allow reinvestment

The farmer felt they had achieved what they set out to do in the business plan, but it was done in a different time frame to what was originally planned. The farmer had also stated that they do not use a business plan due to unexpected external circumstances making it difficult to follow and predict outcomes on their farm. The farmer instead budgets every year and noted that they were currently £1,000 better on their cows than they had originally projected.

> "You are lucky if a year plan works out, COVID and war in Ukraine, we are miles from the projections of that (the 5-year business plan)."

5.8.3. Impact of the grant

The farmer had mentioned that the grant and investment helped with both the productivity and profitability of their farm business. They explained that the cows were now in better condition with fewer medical issues and less need for antibiotics and calving had improved. Overall, their animal welfare had increased.

The farmer further mentioned that the grant and investment did not help in terms of short-term resilience on their farm. They felt that the investment gave them debt at the time which put them in a vulnerable position.

Moreover, while the farmer used the grant to buy solar panels for their farm, they perceived it as a poor investment. This was because they were not allowed to have a feed-in tariff and did not benefit from the electricity produced. The farmer felt that they could have saved £16,000 if they had not invested in the solar panels.

Further impacts of the SPG were mentioned in relation to helping to develop local suppliers and businesses around the farmer as they used local steel merchants. The farmer further mentioned that the investment had helped develop long term contacts which they still used for construction and purchasing.

5.8.4. Additionality and improvements

In terms of additionality, the farmer mentioned that they would have gone ahead with the investment without grant support. Although, as they are a partnership, they also noted the other shared farm would be less inclined to invest without the grant support. The grant had allowed the investment to become a definitive thing and completed in a shorter time frame.

The farmer had mentioned that flexibility would have been an area to improve on. The former stated that they would like future grants to enable them to change the capital item or get support in changing the item from Welsh Government if planning permission is refused.

5.9. Farmer 8 – Beef and Sheep Enterprise

5.9.1. Background and application process

The farmer stated that their enterprise was predominantly an upland beef and sheep farm, as well as poultry. Prior to the SPG funding, the farm sold beef animals and breeding heifers but due to bTB outbreaks, they considered it best to install a shed in case the animals were diagnosed with it again. The shed would also have an added benefit to enable them to fatten their own animals as well.

The SPG was utilised for multiple projects which included separating clean from dirty water, adding pipes to gutters, installing a 150-foot beef shed, fuel store, adding a mixer feeder wagon, and handling facilities and pens for cattle. The farm also made coverings for a muck store and yard. The coverings were made for easier farm management and reducing water consumption. Furthermore, the investment helped with anti-pollution and fattening their cattle.

5.9.2. Business plan

When reviewing the business plan, the main objective was for the farm enterprise to secure financial sustainability and meet the business's cash needs and the growth objectives of the business partners. The enterprise recognised change was needed to reduce costs, as well as improve their farm systems for higher output and aim for a premium market. The objectives of the SPG funding stated in the business plan were:

- reduce costs by covering the open yard and the muck store to increased storage capacity to four months, reduce nutrient loss and leaching with savings on purchased fertiliser and collecting rainwater for cattle to drink
- increase income with additional cattle buildings to enable finishing male cattle, with bulls consuming cereals, and reduce the exposure to bTB
- reduce risks with improved cattle handling to result in a safer work environment for staff and closer monitoring of growth rates and performance recording

While the farmer stated they had an idea of a business plan in their head, they produced an ad-hoc one for the bank manager, yet nothing was written down on paper as the circumstances changed daily. The farmer saw the business plan as difficult to return to or stick with because changes to the farm business were due to external influences such as COVID-19. The farmer expressed that this impacted their business plan and made it irrelevant to the enterprise's operations. For example, the business plan stated that the farm would import stock but due to COVID-19 restrictions the farm was unable to do so.

> "Business plans are only any good the day you write them. Then everything gets altered. Like COVID everything goes out the window. You can predict the price of animals. So I probably didn't pick it up again after it was done, it becomes irrelevant after you write it."

The farmer used a consultant to assist with the application, including helping them to upload documents and sharing them with Welsh Government. The farmer found the application difficult and commented that the consultant also experienced difficulties. They felt there were too many hoops and described the SPG as bureaucratic.

> “It’s totally bureaucratic. It felt like everybody was learning the job as they go along. Like we were Guinea pigs.”

5.9.3. Impact of the grant

The farmer explained the grant had helped their farm become more resilient and still continued to experience the effects of it. They mentioned that they had bought a bull which came down with Johne’s disease. The extra shed built with the SPG, allowed the affected stock to be separated, which helped with disease control. COVID-19 also affected the farmer’s plans. However, as the enterprise was not reliant on one market, profitability increased as the farm had its own feeder for cows and beef stock.

The farmer noted that the environmental impact may be challenging to notice. Nevertheless, they perceived positive impacts are likely to come from the covered muck store as well as clean water and dirty water being separated.

The final capital costs of the project were close to the business plan. The farmer mentioned that they sourced everything locally and the suppliers maintained their estimated prices that they quoted at the start of the project.

5.9.4. Additionality and improvements

A lasting impression the farmer had was the perception of the SPG being bureaucratic. The farmer believed this made the SPG difficult for applicants as the process to apply was challenging due to its length and they lacked support. The farmer determined that they required assistance because some of the application questions came across as bureaucratic and they needed someone who knew the terminologies or the right things to say.

When assessing additionality, the farmer concluded that it would have been possible to go ahead without the grant to build their investment but would have taken longer to commit and go forward with it. The farmer proposed two ways to improve the SPG. Firstly, to reduce bureaucracy and make the application easier for everyone and secondly to increase the funding percentages.

5.10. Farmer 9 – Sheep (Lamb) Enterprise

5.10.1. Background and application process

The farmer explained that they had taken over the business from their father which was just over 140ha of farmland in an upland location. The farmer lambs in early January before other farmers to enable them to get high prices. Furthermore, they employ deferred grazing which enables the farm to save their grass which slows the amount of rain going into rivers and sea. The grant assisted the farm to be able to implement this method.

5.10.2. Business plan

The main objective from the business plan was to develop a financially sustainable system for the long-term to counter potentially reduced farm support payments. This was proposed to be done by maximising livestock output and performance, with less losses and reducing production costs where possible. The farmer proposed to:

- build a new sheep winter housing building
- rainwater harvesting off the new roof to supply water troughs for housed sheep
- construct a new pond to hold back potential flood water during intense rainfall periods
- install a hot water pressure washer for trailer and machinery washing and disinfection to facilitate disease control

The farmer found the grant application process to be complicated as they felt overwhelmed with the number of questions they need to answer. As the farmer found the SPG difficult to understand, they hired a consultant to create the business plan. Nevertheless, the farmer found the process of developing a business plan helpful in guiding their business decisions and sensed it was a good guideline for them. They further noted that they no longer use a business plan as they hadn't had a need for it and every year there are changes in farming.

The farmer mentioned that the process of getting quotes for the investment was difficult for them. The SPG stipulated they needed three estimates but were only able to submit two. This resulted in them having to pay back the government £6000-0-£7000.

> "We went in with 2 estimates and had to pay back the government £6-7000 but nobody would have beat the estimate from our first person anyway. We felt it was unfair, but they are the rules."

5.10.3. Impact of the grant

The farmer expressed that the SPG significantly improved productivity on the farm and led to them selling their lambs at a premium price. The investment had also improved resilience on their farm with the use of galvanized steel for the shed and improving hygiene and space for the lambs. The farmer stated that the investment and infrastructure created by the grant would last them for 'generations'.

Even though the farm experienced a 20% loss from scanning, they were able to sell 729 lambs and ewes. In turn, they have so far grossed over £100,000 in sales this year. Their efficiency has also increased as they do not creep feed due to the saved grass from deferred grazing. The farmer had also seen noticeable environmental impacts from the capital investment due new infrastructure collecting rainwater and reducing the amount that went into rivers. Although, they noted they were already an environmentally aware individual and did not know how much of an impact could be attributed to the grant.

> "I'm a big conservationist anyway and we have planted a lot of trees and shrubs. It's a balance between the two, environment and productivity. It's only a profitable farmer that can put something back for the environment. Because most of what we done has had no help from a grant."

5.10.4. Additionality and improvements

The farmer did not believe they could have made the investment without the SPG funding. The grant helped to support the operations of the farm as it was already increasing numbers and running as a profitable business.

The farmer suggested the SPG application could be improved by being made simpler. They also disliked that when they wanted to talk to someone about the application, each time they interacted with a different person. Instead, the farmer would have preferred being allocated an individual for their proposal who was with them throughout the process.

5.11. Farmer 10 – Mixed Enterprise

5.11.1. Background and application process

The famer was primarily a beef and arable enterprise before turning to dairy. They explained that they had around 300 cows and experienced high-cost production from the large investment. The farmer had also stated that they still have high costs for finance as well.

They found the application process straightforward and although they work with a consultancy group, they applied themselves. The farmer further stated that they found the turnaround to be quick in getting the money and managed to stay on budget to complete everything the intended to do with the grant.

5.11.2. Business plan

Reviewing the business plan, the farmer set out to construct high welfare and comfort cow housing, a slurry tank and install 2 robotic milking machines – although the farmer stated in the interview that the robotic milking machines were traded out for a rotary parlour. This would help them to achieve efficiency, cost effectiveness and improved animal welfare.

The farmer felt they achieved what they set out to do in their business plan. Having already constructed a business plan for the bank with cash flow monitoring, the one used for the application was more of a follow on that was adapted for the purpose of applying. They explained that they still use the business plan and continually update it every year.

5.11.3. Impact of the grant

The farmer felt that the grant and investment helped to contribute to the farm's productivity and profitability. At the same time, they were still subject to market prices for milk and these fluctuated. They further stated its help in reducing costs and increasing efficiency on their farm as well. The farmer viewed the grant/investment to have helped with resilience in their business. Without having gone through with it, they would have been struggling with milk production.

> "What we built off the grant will be here in 30-40 years' time. It's still being used."

The farmer had also viewed environmental impacts in terms of slurry applications. They stated that they had less spreading and more flexibility to apply it when the conditions are needed. They further noted that the emissions produced should be low and it had helped to reduce water runoff.

The investment had also helped to develop local suppliers and businesses around them. The farmer stated that as production had gone up, they now supported more local businesses and it had increased employment.

5.11.4. Additionality and improvements

When assessing the additionality, the farmer stated that they would not have done it without the grant at the time they had but would have possibly done it later down the line. The grant helped with certainty of investing and expedience in completing it.

In terms of improving the grant or future grants, the farmer stated that it was still a large sum of money they had to invest as the grant only covered 40% of total costs. With farming being unstable, the famer felt that this would mean a lack of confidence to invest for many. The farmer wanted low interest rates and further support from WG in giving farmers the confidence to invest. They further noted that more help with local planning and advice would be useful to them.

6. Focus group and interview findings (Windows 4 to 7)

6.1. Overview

A total of 15 beneficiary farmers participated in three focus groups, discussing their experiences with SPG (13 participants in the focus groups and two participants through interviews) from Windows 4 to 7. The participants represent a range of farm types in Wales including beef and sheep, dairy, mixed and arable farming. They also varied in terms of the capital items they claimed through the scheme.

Each focus group lasted for around one hour and was broken down into sections relating to:

- the application and claims processes
- the impact and achievements resulting from the grant support
- additionality and any improvements the farmers felt the grant/future grants should consider

To summarise the findings of the focus groups and interviews, farmers generally remained positive about the SPG and what it provided for them. However, in some areas, they found the process to be stressful, and they were not always able to achieve the outcomes to the extent they had hoped for.

The application stage and claims process for the grant were often seen as obtuse and challenging for the farmer. The substantial amount of information required for the application and the perceived costs associated with it, whether in terms of time or the use of a consultant, led to stress for many farmers. The quoting process was also considered complex and difficult to achieve the three quotes required for their capital items. The business plan was also often seen as an exercise just for the grant application and a five-year plan was viewed as impractical.

In terms of impact, farmers perceived that the investment and the grant had effectively supported the objectives they aimed to achieve. They observed various improvements, particularly in terms of the efficiency and resilience of their businesses in the long term. For many farmers, it also facilitated compliance or put them on track to comply with the Agri-pollution Regulations Wales (2021). Farmers also recognised the benefits of the grant and investment in terms of environmental effects, such as improved water quality, and the positive influence it had on supporting the local economy through material sourcing and employing builders.

Farmers also encountered various external challenges that affected the outcomes and timelines of the projects for which they had utilised grant support. Cost increases, the impact of COVID-19, and dealings with planning regulations and authorities (such as SuDS and NRW) were mentioned as hindrances to the progress of the farmers' projects.

Improvements were also mentioned by farmers on what would have improved the SPG scheme or could improve future grants. These were broken down into two main categories:

- Costs – To provide either a larger percentage of grant support or help with consultancy costs. Farmers also mentioned, that if done correctly, standard/fixed costs would also be a helpful solution for them.
- Simplicity and support – Making the grant application as simple and flexible to the farmer as possible. To provide experts or someone they could call about their grant application or questions on it.

6.2. Main findings for application and claims process

Farmers had a mixed sentiment to applying for the SPG and receiving grant. While some farmers had noted that both the application process and claims process was fluid and they did not run into any problems, the majority had noted several challenges with costs, complexity of the application, the deadline and quoting issues. This section will focus on the challenges farmers had mentioned around the application process and claims process.

6.2.1. Costs

Most farmers had used a consultant and costs for applying for the SPG grant were seen as a large challenge. Farmers stated they had either incurred a heavy cost for employing a consultant or a cost in the time it took for the farmer to gather the evidence needed to support the application. It was also seen by farmers as a prohibitive measure for accessing the grant, given that many farmers would neither have the time or financial freedom to apply.

> "It was significantly more challenging than other grants at the time. We had to employ an advisor to help with cashflow forecast and nutrient management plan scheme. More costs involved than we anticipated."

6.2.2. Complexity and stress

Farmers also mentioned that the complexity of the application caused stress when applying for the grant. Many found that the amount of information that was needed to apply was time consuming and difficult to gather. Farmers questioned as to why they needed to give the information they did and felt that the guidance wasn't sufficient or understandable to them to begin with.

6.2.3. Time

An area of concern for farmers was the time between applying for the grant and claiming the grant. Due to the large amount of money committed into the capital items from their own finances or bank loans, farmers mentioned that the process was stressful. This was further compounded by the time it took between applying and receiving the money from the grant. Many farmers mentioned it left their business vulnerable in the short term due to the large investment.

One farmer had mentioned that during this process they had issues with getting their slurry lagoon and felt that claiming the grant had been a stressful process:

> "It led to some sleepless nights about it if I'm honest, because it was quite a lot of money that was on the line and it does really feel sometimes that you're actually having to justify it almost. You know, they've told you can have it, but actually you're having to sell yourself again. And you know, they're [Welsh Government] hanging that stick over you that they're not going to pay it, basically."

6.2.4. Obtaining Quotes

Another issue mentioned by farmers that they found complex or stressful was the quoting process for the grant. As farmers needed to submit three quotes from contractors for their capital items, many found the process to be difficult to complete and unnecessary. Farmers found it challenging to acquire three quotes and noted that many contractors would not quote them. They also had problems that quotes only lasted for 30 days or when the farmer did come back to the contractor the price agreed had changed/increased dramatically.

Other farmers perceived that when contractors realised that the quote was for the grant process, the contractor would charge them more or would not give them a quote as they felt there was no point as the farmer was unlikely to use them anyway.

> "The challenge was the 3 quote process as some quotes were only valid for 30 days and some suppliers stated that if you aren't going to use us anyway why should we bother with quoting. It's a real challenge due to the length of time as well. There needs to be more realism and flexibility in understanding situations."

6.2.5. Use of Business Plan

Farmers had contrasting perspectives towards the usefulness of having to create a five-year business plan for the application. While many used consultants for this, farmers felt that the process of creating one was an arduous task and just for the application stage. The farmers that had stated that they didn't find it useful were either already doing what they had stated on the business plan and didn't need it or doing a 5-year plan was not practical as it was impossible to plan that far ahead.

> "When they ask you for a five year plan, it's a pipe dream isn't it. You can only base a 5-year plan on the next six months. That's all you can do."

Those that had found the process of creating a business plan useful were in the minority. They had either taken the plan and were constantly updating it or had adapted it again due to recent changes in their business. The farmers noted the need for a business plan to evolve and adapt to the changes in the business every year.

> "The gist of the business plan is still with us. It evolves, because, if it doesn't evolve, then it's not a good business plan."

6.2.6. Engagement with Farming Connect

Farming Connect was used by three farmers to receive support with their SPG application. The farmers explained that Farming Connect had either subsidised advisory sessions or provided them with a better understanding on what SPG entailed and the requirements for the grant application.

6.3. Impact of the Grant

6.3.1. Achieving objectives

Farmers were given a presentation of the objectives of the SPG grant. These were:

- to enhance on-farm nutrient management
- to protect and enhance water, soil and air quality
- to increase on-farm water efficiency
- increase on-farm resource efficiencies.
- for Window 7 applicants only - Water Resources (Control of Agricultural Pollution) regulations 2021

When farmers were asked as to whether they achieved the above objectives through the grant, they predominately agreed that they either had achieved them or were on track to achieve them. The most notable one mentioned by farmers was the grants effect on enhancing on-farm nutrient management for them.

> "If we go through the list to enhance farm nutrient management, yes, it certainly helped that. And you know it's a continuous process then as far as enhancing water, soil and air quality, you know we're not finished and we have barely started on that and there's a long way to go."

6.3.2. Efficiency and resilience

Farmers were asked both if the grant had increased efficiency and/or resilience on their farm. In terms of efficiency, many farmers had stated that it massively increased their ability to run the farm. The capital items which were supported by the grant had allowed either the farmers to now manage tasks by themselves or reduce the time it took to do certain activities. For example, one farmer noted an increase in efficiency due to the 'muck-spreader' they had purchased through the grant. This allowed them to undergo the task of spreading muck faster which saved a lot of time for them and allowed them to focus on other areas of their business.

Farmers primarily viewed the SPG as something that provided long term resilience for them. Compared to other smaller grants, the SPG meant they could invest in up-to-date equipment or on a larger scale which would increase efficiency and profitability for them.

> "The grant scheme itself was a good way of getting money onto farm to improve facilities and making more resilient towards future, the SPG been a really good grant and done a good thing for our farm."

Another topic central to discussion around resilience through the grant was its help in making farms compliant with regulations. Farmers mentioned that it had helped make it easier to become compliant with Agri-pollution Regulations or put themselves on track to achieving compliance. One farmer mentioned that the grant had made them more selfsufficient and ecologically self-aware as they invested in their farm and became compliant with regulations.

Other farmers felt that compliance with regulations meant they did not fully achieve the level of resilience or efficiency on their farm that they felt they could have. One farmer stated that their operation could have become a lot more efficient if they didn't have to worry about compliance and regulations holding back their investment.

> "The sheer amount of concrete we've poured was there because of compliance and not because of efficiency."

6.3.3. Environmental benefits

Farmers also perceived the environmental effects and benefits of the grant. They reported improvements to the environment around their farm and the adoption of measures that mitigated environmental degradation as well. Farmers had also expressed that they were now more ecologically aware and able to manage risks on their farms. Farmers primarily mentioned 'dirty water tanks', 'sediment ponding' and other capital items that improved water quality and environmental friendlessness on their farm.

At the same time one farmer had mentioned that, due to the size of the grant, it had only allowed them to alter a small amount of their farm and they only viewed a small environmental benefit from it.

6.3.4. Local economy

Most people saw the positive nature of the grant for the local economy. Farmers mentioned that they sourced the labour and materials from local businesses or suppliers close to their farms to help support their investment. Supporting the local economy was seen as a beneficial side effect of the grant to the farmers.

> "I think it's a good thing for the local economy really. It is really nice and it, you know, it is good to see him there and keep him going. It's nice to use them and you know they're doing good. I think it's good."

While most farmers viewed the impact positively on the local economy, this was mostly short term during the building phase and supporting businesses and suppliers. However, a few farmers did view a long-term effect in terms of either using the same business for repairs or increasing the amount of people they employed on the farm.

6.4. External Factors and Challenges

6.4.1. Cost changes

Rising costs were a significant challenge for farmers, largely driven by external factors. This particularly effected them when it came to obtaining three quotes at the application stage. Farmers explained that original quotes had either changed and increased or became void after a period of time. This caused additional stress and complexity for farmers in obtaining quotes and manging the cost of their capital works.

> “We had issues on everything right from the word go. The initial problem was getting people to quote. They wouldn't quote. If they did quote when we went back to buy it from them, the quotes had jumped dramatically. Case in point, being the slurry cover. I was quoted £8000 for this lowly cover. It actually ended up £16,000 double when they actually came in and fitted it. So the quoting process didn't work very well at all.”

Farmers further noted that although the grant was 40% it was closer to 30% by the time many had committed to the capital items and cost increases had been incorporated into the project.

6.4.2. COVID-19

Another challenge that farmers experienced was the influence COVID-19 had over the process. Farmers had stated issues with sourcing materials and items during the COVID-19 pandemic. One farmer noted that due to the lockdown, there weren’t any slurry tanks in the UK at the time to order. This meant that the process for implementing the project was delayed and extended beyond what they originally projected.

COVID-19 impacted negatively on farmers’ ability to source labour and caused significant cost increases due to of the limited availability of various equipment and inputs at the time. They noted the challenging nature of the process to implement their capital items and unwarranted stress as something outside of their control affected them.

6.4.3. Planning regulations and authorities

Farmers also had challenges with regulations such as the Sustainable Drainage Systems (SuDS), the introduction of which farmers felt caught out by. They were either unsure whether SuDS applied to their project, or they needed to gain approval with the SuDS Approving Body (SAB) before they could implement it on their farm. This led to further complexity as planning and the SuDS approval process meant further delays and costs for the farmer.

> "I had a nightmare with the SuDS and it was right up to the limit on the grant, the planning and everything else."

Other farmers had mentioned that local planning approval was another barrier to developing the project they undertook with the SPG. They mentioned that a large portion of the grant was spent on planning and the process of approval was slow for many. During COVID-19, one farmer noted that they were unable to get planning permission as there wasn't any planning officers available at the time. This increased the time it took to complete the project.

Another farmer had also noted that Natural Resources Wales (NRW) was a barrier to their construction of a slurry store on their farm. The farmer felt that they had a suitable location, but NRW rejected it due to it being too close to a river. They stated that any other location recommended by NRW was not suitable for their farm. The back and forth between the farmer and NRW affected both the timeline and costs of the project.

6.4.4. Additionality

When assessing for additionality, farmers were asked as to whether they would have gone ahead without the grant and implemented the improvement on their farm. The majority stated that they would have gone ahead without the grant. Farmers noted that many of the projects were already something either planned or needed to be done due to upcoming regulations affecting them.

Farmers that stated they would have gone ahead with their capital works, whether or not they received the grant, explained that the grant allowed them to go beyond what they had originally planned. This meant the investment was either done on a larger scale or allowed for more up-to-date or expensive equipment.

> "I mean the muck spreader we'd probably have purchased anyway. It was going to have to happen, but obviously the grant very much helped, you know, helped with the cost of it and probably got a slightly better machine than we may have otherwise."

Only two farmers explicitly stated that they would not have gone ahead without the grant support. They explained that they would not have had the funds otherwise to make themselves fully compliant with regulations or wouldn't have been able to progress their business to the extent they needed to without the grant.

6.4.5. Costs

Farmers mentioned that the cost of hiring a consultant to complete their grant application was a significant financial investment on their part. Farmers stated that they would like to have seen some, if not all, of the cost of a consultant subsidised under the grant.

Other farmers noted the need for greater flexibility in modifying costs under the grant or justifying an increase in the amount they could claim. Considering that many not did not receive the full 40% due to increased costs, they felt that the percentage of funding should be reassessed and flexibility should be provided based on circumstances the farmers were facing.

The last aspect of discussion around costs was to provide standard costs. The farmers highlighted that this approach would be more convenient and efficient, reducing the hassle around getting three quotes and eliminating the need for providing detailed itemised bills. One farmer noted on the use of standard costs:

> "Standard costs is absolutely fine so long as they are up to date. Otherwise, it's an absolute disaster, but you know standard cost would basically do away with the need for any quotation. If you're laying a yard or a cube of concrete, this is what you get for it. And the market will look after itself and you will either decide whether you want to do that or not."

6.4.6. Simplicity and further support

Farmers suggested various improvements to the grant and future grant schemes in terms of making the process more simplistic and easier to understand. They had mentioned the issues with complexity of the application stage and wondered why Welsh Government, specifically Rural Payment Wales (RPW), needed all the information they had to provide. The application process, from their point of view, should be as simple as possible to apply for, as well as understanding what they could get out of the grant and why WG needed the information the farmers had to provide.

> "There needs to be a more realistic approach and guidance to support understanding and situations. We need to know why RPW needs this information. There was a lot of man hours put into the application."

Other suggestions came in the form of wanting support to discuss the grant or a specific contact if something went wrong or they didn't understand. One farmer mentioned that a helpline could be useful to contact and support them on their specific grant application. Other farmers wanted a technical expert that they could fall back on to ask about specific issues during the SPG grant.

> "If any problem is going to be a technical one where you need technical calculations, I think they need to help us a bit more on that side because we're not technicians, you know, by any means we just want to get on with the job and if we get it wrong, it all comes back on us. So I think they should be some sort of expertise available just to make sure that your figures are right and all your calculations are fine."

7. Discussion

7.1. Effectiveness of the SPG Scheme Management

7.1.1. Communications

The majority of both beneficiaries (58%) and non-beneficiaries (65%) reported Welsh Government services such as Farming Connect, Gwlad and the official website as being the primary source of awareness for the SPG grant. Beneficiaries also learnt about the grant from consultants/agents (22%) and friends/neighbours (15%). A higher percentage of non-beneficiaries stated they used press articles (26% vs. 9%) as being other sources of awareness of the SPG grant but lower percentage (13% vs. 22%) mentioned consultants/agents as the source.

Interviews and focus groups show that initial communication of the grant was not very well received by some farmers. Some of them found the application stage difficult and many said they would have gone for a larger grant amount if they had understood the impacts and initial guidance more fully.

7.1.2. Application and claim process

Based on the online survey results, most beneficiaries were either satisfied (51%) or very satisfied (8%) with the application process, whereas a smaller proportion (24%) of non-beneficiaries felt the same (15% satisfied, 9% very satisfied).

Survey results also suggest that successful applicants tended to use more help on various aspects of the application process than unsuccessful applicants.

Some participants in the focus groups and interviews reported that guidance at the application stage was unclear and often complex. Many farmers perceived that a consultant was necessary and without one it would be too difficult to apply for or hinder their success in obtaining the grant. A minority of farmers (6 out of 15)from the focus group and interviews did not use a consultant.

Interviews and focus groups also showed that the quoting system used during the grants process was often a barrier and hard to accomplish for farmers. Due to external factors such as COVID-19 and rising cost increases, farmers found that they were either unable to obtain three quotes for their capital item or the quote was no longer valid. Other farmers explained that prices had increased drastically since the first initial quote by suppliers or builders, and this impacted the overall price of the investment.

In terms of the claim process, online survey results suggest that only around 40% of the beneficiary businesses were satisfied or very satisfied with the support provided by RPW in the claim process and just under 50% of the respondents were happy with the time needed to process their claims.

Feedback from the interviews and focus groups revealed that an area of concern for farmers was the time needed for claiming the grant, which added stress to farmers due to the large amount of money committed into the capital items from their own finances or bank loans.

7.1.3. Availability of support

The survey results suggest that the majority of successful applicants sought external help in preparing the business plan (66%), completing the application form (55%) and providing supporting information (53%).

The interviews and focus groups revealed a viewpoint of minimal support being provided for many farmers. Many wanted more flexibility and guidance in both the application stage and during the project's development. They noted issues around updating their project, providing invoices/bills and extensions or timeline changes.

Although other farmers had noted support from services such as Farming Connect to help them during the grants process, they explained that either an advisor helped them with questions and understanding the grant or Farming Connect had partially funded the advisory fees for the application stage.

7.1.4. Developing a Business Plan

Although 60% of the survey respondents reported that preparing a business plan was useful in terms of creating a focus for the farm, helping farmers reflect on costs and using it to plan for the future, in-depth interviews suggest that very few farmers made use of their business plan during or after the implementation of the SPG supported project.

The interviews and focus groups show that the five-year business plan developed for the application stage was perceived by many as something that was not very useful. Most no longer used a business plan or had moved on from the business plan used at the application stage and were now using their own updated or changed one. The farmers found it challenging to justify the use of the business plan as it was a five-year plan and many had changed their farm practices since applying with it or encountered unexpected challenges which shifted their focus and business outcomes.

7.2. Impact of the SPG

7.2.1. Achievements against SPG objectives

The interviews and focus groups show that farmers had achieved or were on track to achieving what they outlined as objectives set out in their business plans. They recognised a positive impact from the grant, but it was disputed as to the extent or influence it had. External factors such as increasing energy costs, difficulties with suppliers and builders, planning permission and COVID-19 (more of a challenge in Windows 4 to 7) meant that predicted outcomes sometimes deviated from what they originally stated.

While Windows 1 to 3 were larger in grant size than later windows, their goals reflected large changes to the business to increasing overall profitability and general expansion of their business. Many of the case studies show that profitability, efficiency and resilience had been achieved through the grant support as it allowed investment on a scale that was future proofing their business.

Windows 4 to 7 showed a larger focus on regulation and becoming compliant with the Agri-pollution Regulation Wales (2021) and SuDS. With the smaller grant size, many felt that they were still able to achieve efficiency and resilience on their business and getting them in-line with upcoming regulations. However, due to external factors such as cost changes and increases, many of the applicants to later windows mentioned that the grant size offered was closer to 30%, showing that the overall impact of the grant support was significantly less than they had originally planned.

7.2.2. Environment and economic impacts

The online survey results suggest the SPG scheme made a positive impact on the environment (reducing pollution, increasing compliance with water quality regulation, etc.) and the economic performance of the farm businesses (increases in turnover, profit and sales, and decreases in cost and improvement in job efficiency, safeguarding jobs and benefits to local economy).

The interviews and focus groups showed that farmers perceived the environmental impact of their investment. While this was viewed to be more significant in Windows 1 to 3 as they had larger scale investments on their farm, applicants to Windows 4 to 7 also perceived that better slurry management and clean water solutions had contributed to environmental benefits on their farm.

Another impact that was mentioned was the flexibility and welfare provided by the grant. Farmers had noted that it allowed them to be flexible with timings on their farm as well as manage large tasks much more efficiently and quickly. This improved both farmers' welfare and resilience in terms of long-term management on the farm.

Local businesses and suppliers also benefited from the grant support. Through the quoting process, farmers supported local suppliers and builders to develop their investment. Many viewed the good it did to their local economy, although perceived it as a short-term benefit. Long term benefits were often seen more in Windows 1 to 3 as the larger investment and grant support meant there was further increases in employment and development of supply chains with their farms.

7.2.3. Additionality

Additionality is an important aspect to assess, and the online survey results showed a relatively high level of additionality/low level of deadweight of the SPG scheme. With 57% of beneficiaries reporting they would not have proceeded with their project if they had not received the grant and a further 26% said that they would only proceed partially. Comparisons with the non-beneficiary group from the survey also suggested high additionality of the SPG scheme in terms of achieving a range of impacts.

Evidence gathered from the in-depth interviews and focus groups, however, indicates a division among farmers regarding whether they would have proceeded with the investment on their farm without the grant support. Many mentioned that the improvements and capital items they applied for under the grant were investments that the farmer was already considering or deemed necessary (particularly concerning regulatory obligations). The grant, however, supported the farmer in expediting the process of upgrading/expanding their farm or enabled them to pursue options that would have been otherwise inaccessible, such as robotics. Therefore, the additional support from the grant contributed mostly to creating a scenario that made the investment a decisive action for the farmer. It either allowed them to comfortably invest to align with future regulations or improved resilience through upgrading farm equipment and future-proofing the farm.

8. Conclusions and Recommendations

This section presents key findings from the evaluation evidence in relation to the impact of the SPG scheme on its beneficiary businesses, as well as the wider environmental and economic context. It summarises key outcomes and areas of success of the scheme, as well as identifying challenges and lessons learned based on the qualitative and quantitative analysis of the evidence collected. Findings presented within this report suggest that recipients of SPG funding generally perceived the impacts on their business as positive as well as for the environment and local economy. Moreover, the majority indicated that investments could not have been made without SPG funding specially not as rapidly or at the same scale. Estimated additionality or deadweight is comparable to that reported by previous evaluations of similar grant schemes.

However, both successful and unsuccessful applicants faced challenges in the SPG funding application and claiming process. Complexity led to the reliance on consultants, obtaining quotes from suppliers was cumbersome and challenging, inflation eroded the real value of funding, and time-lags between incurring costs and receiving funding caused cashflow/debt problems.

These issues are familiar from previous evaluations of similar schemes. To an extent, they merely reflect perennial tensions between a need for public accountability of expenditure and a desire for administrative simplicity. Nonetheless, some recommendations for potential improvements are offered below.

8.1. Effectiveness of the SPG Scheme Management

The effectiveness of the SPG was evaluated based on process effectiveness, measured by the effectiveness of communication, and efficiency of the application and the claim process as well as the use of the business plans developed at the application stage.

8.2. Process Effectiveness of the SPG

In terms of communication, a significant proportion of beneficiaries and non-beneficiaries identified Welsh Government services, Farming Connect, Gwlad, and the official website as their main sources of awareness for the SPG grant. However, successful applicants tended to also use interpersonal channels (such as advisors, friends or neighbours) as information sources to seek more assistance across various aspects of the application process.

> Recommendation 1: Encourage farmers to use more advisory support or Knowledge Transfer (KTE) programmes under Farming Connect when making applications to understand more fully the guidance provided as well as any potential implications for their businesses.

The application process saw a higher satisfaction rate among beneficiaries than non-beneficiaries. Challenges included unclear guidance during application, complexities in the quoting system, and difficulties in obtaining quotes due to external factors (such as COVID-19).

The majority of beneficiaries were satisfied or very satisfied with the claim process. The area that would need improvement the most was the processing time of claims, which caused some cashflow or debt problems.

> Recommendation 2: Monitor the processing time for claims and identify main reasons for delays as well as appropriate measures to shorten the time for making funds available.

The availability of support varied, with successful applicants seeking external help for business plan preparation, application form completion, and providing supporting information. However, interviews highlighted concerns about the minimal support provided for many farmers, indicating a need for more flexibility and guidance during the application and project development stages.

> Recommendation 3: Improve information and guidance provision during project development stage to facilitate high quality applications. Consider offering explicit funding for advisory support (within same overall level of funding) for business planning and application processes.

In terms of the use of the business plan, while 60% of survey respondents found preparing a business plan useful, in-depth interviews revealed that very few farmers utilised it during or after the SPG-supported project. The five-year business plan developed for the application stage was perceived as less useful, with many farmers creating or using their updated plans.

> Recommendation 4: Consider portraying business plan merely as evidence of engagement in process of business planning. Encourage the agricultural industry to adopt more business-like practices by promoting comprehensive business plans and performance benchmarks for all farmers. Ensure these plans are used for business improvement rather than solely as a tool for securing grants.

Obtaining three quotes from suppliers proved challenging for many farmers, leading to difficulties in accessing full funding and/or exposure to inflationary pressures. However, it is important to note that many cost increases were due to external factors such as COVID-19.

> Recommendation 5: Consider using standard cost model, allowing for payment rates to be adjusted during periods of high inflation. However, it should be noted that standards costs may not suitable for large, complex and bespoke capital investments.

8.3. Impact of the SPG

Farmers generally achieved or were on track to achieve their outlined objectives, but external factors sometimes cause deviations to outcomes. Windows 1-3 focused on large-scale changes, achieving profitability and expansion, while Windows 4-7 emphasised regulation compliance with smaller grant sizes. The SPG scheme made a positive impact on the environment and economic performance, as indicated by online survey results.

Farmers perceived environmental benefits, flexibility, and welfare improvements due to the grant. The investment benefited local businesses through sourcing suppliers locally, contributing to short-term and long-term economic gains.

> Recommendation 6: Better monitoring data is needed to measure changes over time due to grant support both for economic and environmental outcomes. Consider using a more standardised template (for example, the business plan) to collect both baseline and end of project data and make this a condition of receiving grant support for beneficiaries.

8.4. Additionality

The online survey suggested a relatively high level of additionality, with a majority stating they would not proceed with the project without the grant. In-depth interviews revealed differing opinions on whether farmers would have proceeded without the grant, but many acknowledged the grant's role in expediting upgrades and enabling access to otherwise unattainable options.

> Recommendation 7: Adopt additional metrics collected routinely as part of application and claims process to allow additionality to be estimated more easily without recourse to ad hoc surveys.

The findings indicate both positive impacts and challenges, emphasising the need for continuous improvement in communication, support availability, and clarity in the application and quoting processes for future iterations of the SPG scheme.

Annex A: List of Stakeholders for Scoping Interviews

Name	Role/former role with SPG
Kevin Taylor	Scheme Policy Manager - ASDD
Richard Evans	Head of Scheme Management Branch - ASDD
Andrew Chambers	Formerly drafting the Water Resources (Control of Agri-pollution) Regulations – ex ASDD
Jane Mathias	Head of operations - RPW
Ken Jones Fiona Abberley	Appraisal officer for SPG 1-3 –RPW RDP Scheme Implementation Manager (SPG 4-7 appraisals) – RPW
Joanne Gibson	RDP Scheme Process Manager

Annex B: Scoping Interview Guide

Introduction

ADAS has been commissioned to assess the implementation and impact of SPG and wish to speak to key internal stakeholders as an important first stage of the evaluation to inform the logic model and understanding of the scheme.

1. The interviews will take no more than 60 minutes and the participation in voluntary.

2. Please can you confirm if you are happy to participate? Yes/No

3. Would you prefer the interviews to be held in English or Welsh? English/Welsh [if Welsh, arrange for a Welsh speaking interviewer for the interview]

4. Would you prefer another format of the interview? Yes (specify)/No

5. Permission for recording? Do we have your consent for the interview to be recorded?

Interview Guide

Questions No.	Discussion question	Follow up questions and prompts *These are to be used if not covered by general discussion question*
1.	What is your involvement with SPG?	• Prompts: design, application, claims, monitoring and evaluation, project management, other
2.	A) How was SPG initially designed and developed and what was the underlying rationale for intervention?	• What is its main objective? • What impact is it meant to achieve? • Why was the scheme needed? • What support was needed or offered under the capital grant support (is all monetary support, or access to the Farming Advisory Service or Farming Connect also rolled in?
	B) With regards to the specific scheme windows, the objectives changed from windows 1 to 3 to 4 to 7.	• Could you provide information on this change in objectives? • How were these objectives decided over other areas of importance?

3.	What processes were implemented to support program administration and delivery?	• Were there any changes in processes between specific scheme windows? [prompts for processes involved: *promotion and launching; applications; appraisals and approvals; monitoring and verification process; claim management; evaluation*] • With regards to the appraisal process, how applications are scored against priority criteria *(Increased financial resilience, Animal or Plant Health and Welfare, Emissions Reduction, Nutrient Efficiency, Energy Efficiency, Water Efficiency)*. Are they scored on how detailed the explanations are or is there also some verification/appraisal process to assess whether it is evidence based and how realistic those claimed benefits can be achieved? • Is there a general cost on administration? (how many staff members were involved as well as direct costs in relation to promoting, launching the scheme, monitoring, application appraisals and approvals, processing claims, etc.)? [can supply details afterward]
4.	What are the main eligible capital items for each specific scheme window?	• How are they identified? • Could farmer propose additional items for WG to assess eligibility? • What outputs/outcomes were achieved?

5.	Are there any targeted groups for the grant support?	• *(agriculture vs. forestry; large vs. small businesses, farm types, regions, etc.)* • Did the target group/s change depending on the specific scheme window?
6.	How is progress measured through the scheme?	• What was the monitoring process for the 2 different windows (1-3,4-7) • What targets or indicators were used to determine progress? • How will we judge whether SPG has been successful (are there other hard or soft outcomes aside from these targets and indicators) • Was there anything that wasn't measured that you feel should have been in hindsight?
7.	What are the intended/expected outcomes and impacts from the SPG grant support? What does the end goal look like?	• *In relation to: innovation and technology, reducing emissions, resource efficiency, water quality, competitiveness, etc.* • Do you think the SPG has achieved the goal it set out to do? • Do you have any data available to monitor or assess the impacts?
Specific CEQs regarding impacts		
8.	To what extent has the SPG contributed to improving farms: • Economic performance • Competitiveness • Restructuring and modernization	• How has this contributed to increasing their market participation and agricultural diversification? • Are there any existing evaluative work/data or evidence used to measure progress or influence how it was measured?

9.	How has the SPG contributed:[Questions to scheme management/monitoring team] a) to increasing efficiency in water use by agriculture? b) to increasing efficiency in energy use by agriculture? c) to reducing GHG and ammonia emissions from agriculture? d) Supporting carbon conservation and sequestration in agriculture and forestry?	• How are data being gathered? • Is there evidence of SPGs contribution to these changes
10.	Are there any areas that you think could be improved with SPG?	• Do you have any suggestions as to how it should be improved?
11.	Is there anything else you wish to add or anything I haven't covered that you think should be explored in the evaluation?	

Annex C: Non-beneficiary Survey

Introduction

ADAS has been commissioned by the Welsh Government to conduct a survey of applicants to the Sustainable Production Grant (SPG) Scheme within the Rural Development Programme RDP (2014-2020) for Wales.

You have received this survey because you applied for SPG. We would like to hear about your experience.

Your insights and feedback are important and will help inform future government support.

We are asking a range of questions to gather your feedback on the scheme and to understand your experience of the application system.

The survey will take about 15 minutes to complete. The information you provide will remain confidential and will only be used for the purpose of the evaluation of the SPG scheme. A report of the findings will be produced but this will not release the names of participants in the survey. For further information on how your data will be handled, please refer to the Welsh Government Privacy Notice (https://adas-survey.onlinesurveys.ac.uk/privacy-notice-evaluation-of-the-sustainable-production-g).

For information on how accessible this survey is, please see the Accessibility Statement https://www.onlinesurveys.ac.uk/accessibility/. If you encounter any issues with accessibility.

Your participation in the survey is voluntary.

Please can you confirm that you are happy to participate in the survey? (Y/N)

Which language do you wish to complete the survey in?

Options	
Cymraeg	Go to the page with the link to the Welsh version
English	

SECTION A: SPG application

Q1. PRE-POPULATED QUESTION: According to Welsh Government's records, you applied for SPG support in year [ ] for [ ] investment.

Q2. Are you a consultant who prepared the application for the SPG supported project or a farmer as a recipient of grant?

	Please tick one	Skip logic
Consultant only		Complete only Q3-5 then skip to the end of the survey
Farmer recipient only		
Both a consultant and farmer recipient		

Q3. How did you find out about the SPG grant for your farm business?

	Please tick all that apply
Promotional event	
Press article	
Farming Union or trade association	
From a consultant/agent	
From a friend/neighbour	
Internet	
Welsh Government (Farming Connect, Gwlad, website)	
Advisors	
Other (please specify)	

Q4. How satisfied/unsatisfied were you with the overall application process for the grant support?

	Select one option
Very unsatisfied	
Unsatisfied	
Neither satisfied nor unsatisfied	
Satisfied	
Very satisfied	

Q5. What aspects of the application process did you find most challenging/difficult?

	Please tick all that apply
Establishing if my business was eligible for grant aid	
Understanding the application guidance notes	
Filling out the application form	
Providing the business accounts	
Preparing a business plan	
Proving that you needed grant aid	
Providing evidence of loans	
Securing planning approval	
Evidencing the benefits of the project	
Obtaining licences from other organisations	
Getting competitive quotes for the investments	
None of the above	

Q6. How much of your time was involved in making the application and did you incur any additional costs e.g., consultant fees?

	Estimate	For what element (business plan, etc.)
Applicant time (days)		
Other costs/fees £		

Q7. Did you receive help in applying for the grant?

	Select one option	Skip logic
Yes		
No		GO TO Q9

Q8. What help did you receive and who provided the help?

Type of help	Tick all that apply	Source of help (WG, RPW, Farming Connect, farm advisor, etc.)
Help understanding the eligibility criteria		
Help understanding the application form		
Help completing the application form		
Help providing the supporting information		
Help preparing a business plan		
Help resolving eligibility issues		
Other (please specify)		

SECTION B: Scheme investment specific questions

Q9. What was the intend use for the SPG support?

Facilities and equipment related to:	Tick all that apply
Animal health and welfare	
Crop storage	
Livestock housing and handling	
Renewable energy production	
Soil and crop management	
Slurry storage	
Silage	
Other (specify)	

Q10. Did you have a business plan for the intended investment

Options	Select one option
Yes	
No	

Q11. Why was your application not awarded? (open responses)

____

SECTION C: Additionality questions

Q12. Did you proceed with your project without the SPG support?

Options	Select one option	Skip logic
Yes fully.		GO TO Q13
Yes, in part.		GO TO Q14
No		GO TO Q15

Q13. Why did you go ahead without the grant?

Options	Select all that apply
Funding available from elsewhere	
The need to maintain or increase income from the business	
The need to reduce costs	
To make more efficient use of resources such as energy and water	
Staff not fully occupied	
Other (please specify)	

GO TO

Q14. Which of the following would have been consequences for your project, if you had received the grant?

Options	Select all that apply
It would have happened more quickly	
It would be on a larger scale	
It would have happened at an earlier date	
More spend on product development / marketing	
Other (please specify)	

GO TO

Q15. Why didn't you go ahead with the project/investment? *(then GO TO)*

Options	Please rank
Lack of funding/access to credit	
Lack of technical knowledge or support	
Lack of business knowledge or support	
Didn't know where to start	
Other (please specify)	

SECTION D: Impact

Q16. (a) Has the investment had any effect on jobs within your business?

Options	Select one option	Skip logic
Job increased		
Anticipated job increases		
Jobs decreased		
Anticipated decreases		
Job safeguarded*		
Anticipated job safeguarded		
Improved job efficiency		
Making jobs easier, less effort needed/shorter hours		
No effect		GO TO Q19

*Note: Jobs safeguarded are where jobs are known to be at risk over the next 12 months

Q17. How many of these job increases/decreases or jobs safeguarded are (expected to be) ....?.

Full time ________

Part time, that is, under 30 hours per week ________

Seasonal _____________

Q18. How many new jobs, if any, has the investment helped to create within your business?

Full time ________

Part time, that is, under 30 hours per week ________

Seasonal _____________

Contractors______________

Go to Q18

Q19. (a) How have your business sales changed as a result of the project/investment? If your project is not yet complete, please base your answer on the predicted change.

Options	Select one option
Increased	
Anticipated increases	
Decreased	
Anticipated decreases	
No change	

(b) please specify changes in sales ____________%

Q20. (a) How much has your business profit changed or is likely to change as a direct result of the investment? If your project is not yet complete, please base your answer on the predicted change.

Options	Select one option
Increased	
Anticipated increases	
Decreased	
Anticipated decreases	
No change	

(b) please specify changes in net profit ____________%

Q21. (a) How much do you think your annual trading costs changed or are likely to change as a result of the investment/project? If your project is not yet complete, please base your answer on the predicted change.

Options	Select one option
Increased	
Anticipated increases	
Decreased	
Anticipated decreases	
No change	

(b) please specify changes in costs ____________%

Q22. (a) How has your business turnover changed or is likely to change as a direct result of investment funded by SPG? If your project is not yet complete, please base your answer on the predicted change.

Options	Select one option
Increased	
Anticipated increases	
Decreased	
Anticipated decreases	
No change	

(b) please specify changes in turnover ____________%

Q23. (a) Has the investment allowed you to improve productivity?

Options	Select one option	Skip logic
Yes		
No, but expected to improve productivity		
No		GO TO Q24

(b) If so, please detail HOW this has been/will be achieved.

Options	Select all that apply
New technologies and innovation	
Access research and knowledge	
Cooperation with others	
More efficient use of labour	
Upgraded facilities and equipment	
Replacement facilities and equipment	
Improved scale of production	
Improved animal health and welfare	
Improved nutrient management	
Improved water use efficiency	
Improved energy use efficiency	
Reduced other inputs/costs	
Improved resilience of the business to climate change	
Other (please specify)	

Q24. Are you aware of any impacts of your project on other local businesses, positive or negative e.g. buyers or suppliers, contractors?

Yes (please specify) ________________

No

SECTION E: Business outlook

Q25. What are your future plans for your business?

	Select one option	Skip logic
To grow the business gradually over time		GO TO Q26
To expand the business rapidly		GO TO Q26
To keep the business about the same size		GO TO Q27
To reduce the size of the business		GO TO Q27
To diversity the business		GO TO Q26
Transfer the business to a family member		GO TO Q27
Cease trading		GO TO Q27
Other (specify)		GO TO Q27

Q26. What external factors, if any, might make it difficult to grow or diversify your business?

	Select all that apply
Current financial climate	
Lack of farm infrastructure	
Obtaining planning consent	
Access to land	
Difficulties in recruiting or retaining staff	
Internet access or broadband provision	
Access to customers or suppliers	
Uncertainty over future government policy	
Other (write in)	

SECTION E: The applicant business

Q27. How many staff, including yourself are employed in your business? Please specify for full time and part time (by part time we mean working up to 30 hours per week).

	Full time	Part time
None		
1		
2-3		
4-5		
6 - 10		
11 - 20		
21 - 50		
51 - 100		
101 - 250		
251 +		

Q28. Which of the following best describes the annual turnover of your business?

Options	*Please Select one*
Under 10k	
£10k to under 25k	
£25k to under £50k	
£50k to under 75k	
£75k to under £100k	
£100k to under £250k	
£250k to under £500k Above 500k	

Q29. Have you accessed capital support from other providers previously, e.g., grant assistance or from other support schemes, or repayable finance from other support schemes or commercial lenders

	Select one option
Yes	
No	

Q30. Do you have any other comments?

Annex D: Beneficiary Survey

Introduction

ADAS has been commissioned by the Welsh Government to conduct a survey of applicants to the Sustainable Production Grant (SPG) Scheme within the Rural Development Programme RDP (2014-2020) for Wales.

This survey will help the Welsh Government understand how effectively the SPG scheme has been delivered and inform decision making about future schemes. Specifically, we would like to understand your experience of the application process and support received, as well as the impact it has had on your business.

For further information on how your data will be handled, please refer to the Link to Privacy Notice of the Welsh Government (https://adas-survey.onlinesurveys.ac.uk/privacy-notice-evaluation-of-the-sustainable-production-g).

For information on how accessible this survey is, please see the Accessibility Statement (https://www.onlinesurveys.ac.uk/accessibility/). If you encounter any issues with accessibility.

The survey will take about 20 minutes to complete. The information you provide will remain confidential and will only be used for the purpose of the evaluation of the SPG scheme. A report of the findings will be produced but this will not release the names of participants in the survey.

Please can you confirm that you are happy to participate in the survey? (Y/N)

Which language do you wish to complete the survey in?

Options	
Cymraeg	Go to the page with the link to the Welsh version
English	

SECTION A: SPG application and claim process

Q1. PRE-POPULATED QUESTION: According to Welsh Government's records, you applied for SPG support in year [ ] for [ ] investment.

Q2. Are you a consultant who prepared the application for the SPG supported project or a farmer as a recipient of grant?

	Please tick one	Skip logic
Consultant only		Complete only Q3-5 then skip to the end of the survey
Farmer recipient only		
Both a consultant and farmer recipient		

Q3. How did you find out about the SPG grant for your farm business?

	Please tick all that apply
Promotional event	
Press article	
Farming Union or trade association	
From a consultant/agent	
From a friend/neighbour	
Internet	
Welsh Government (Farming Connect, Gwlad, website)	
Advisors	
Other (please specify)	

Q4. How satisfied/unsatisfied were you with the overall application process for the grant support?

	Select one option
Very unsatisfied	
Unsatisfied	
Neither satisfied nor unsatisfied	
Satisfied	
Very satisfied	

Q5. What aspects of the application process did you find most challenging/difficult?

	Please tick all that apply
Establishing if my business was eligible for grant aid	
Understanding the application guidance notes	
Filling out the application form	
Providing the business accounts	
Preparing a business plan	
Proving that you needed grant aid	
Providing evidence of loans	
Securing planning approval	
Providing evidence of the benefits of the project	
Obtaining licences from other organisations	
Getting competitive quotes for the investments	
None	

Q6. How much of your time was involved in making the application and did you incur any additional costs e.g., consultant fees?

	Estimate	For what element (business plan, etc.)
Applicant time (days)		
Other costs/fees £		

Q7. Did you receive help in applying for the grant?

	Select one option	Skip logic
Yes		
No		GO TO Q8

Q8. What help did you receive and who provided the help?

Type of help	Tick all that apply	Source of help (WG, RPW, Farming Connect, farm advisor, etc.)
Help understanding the eligibility criteria		
Help understanding the application form		
Help completing the application form		
Help providing the supporting information		
Help preparing a business plan		
Help resolving eligibility issues		
Other (please specify)		

Q9. Did you receive any help implementing the supported investment?

	Select
Yes (please specify help received)	
No	

Q10. Have you made claims for SPG funding yet?

	Select one option	Skip logic
Yes, all of it		
Yes, some of it		
No		GO TO Q11

Q11. How much do you agree or disagree with the following statements about the SPG claims process? On a scale of 1-5, where 1= strongly disagree and 5= strongly agree

	Score
The grant claim process was straightforward	
Completing the claim form was straightforward	
Support from the RPW in dealing with my claim was sufficient	
The time for processing the claim (between submitting my claim and receipt of payment) was reasonable	

SECTION B: Scheme investment specific questions

Q12. What was the SPG support used for?

Facilities and equipment related to:	Tick all that apply
Animal health and welfare	
Crop storage	
Livestock housing and handling	
Renewable energy production	
Soil and crop management	
Slurry storage	
Silage investment	
Other (specify)	

Q13. a) Do you feel the size of the grant was appropriate for your needs?

Options	Select one option	
The grant was sufficient		Go to
The grant was not sufficient		Go to Q13 b)

b) What was the reason for the grant not being sufficient?

Options	Select all that apply
The % matched funding requirement was too high	
The % matched funding requirement was too low	
The maximum grant value was too low	
Other (specify)	

Q14. What was main objectives of the investment supported by the SPG for your farm and to what extent these objectives have been achieved based on a score of 0-3(where 0=not achieved, 1=partially achieved (25%),2 = mostly achieved, 3= fully achieved)?

Objectives	Tick all that apply	Achievement score
Increase sales		
Increase profit		
Improve production efficiency		
Reduce inputs (electricity, water, fuel, fertilisers, pesticides, feed, labour input, etc.)		
Improve animal health and welfare		
Reduce pollution from agricultural production		
Improve resilience of the business to climate change		
Improve slurry storage		
Compliance with the Water Resources (Control of Agricultural Pollution) regulations		
Improve soil quality		
Improve water quality		
Other (please specify)		

Q15. Has the business plan prepared for your SPG funding application been useful?

Options	Select one option
Very useful	
Useful	
Not very useful	
Not useful at all	
Other (please specify)	

Why has it been useful/not useful? (open text)

Q16. Has the business plan prepared for your SPG funding been implemented?

Options	Select one option
Fully implemented	
Partially implemented	
Not implemented - Deviated from the original business plan	
Not implemented - only developed for the purpose of obtaining the grant	
Other (please specify)	

Why has it been implemented/not implemented

SECTION C: Additionality questions

Q17. To what extent did external factors negatively affect ability to use the grant support as intended?

Options	
COVID	
Brexit	
Cost of living	
Other (please specify)	

Q18. Would you have proceeded with your project if you had been unsuccessful in getting grant?

Options	Select one option	Skip logic
Yes fully.		GO TO Q19
Yes, in part.		GO TO Q21
No/not sure.		GO TO Q22

Q19. Why would you have gone ahead without the grant?

Options	Select all that apply
Funding available from elsewhere	
The need to maintain or increase income from the business	
The need to reduce costs	
To make more efficient use of resources such as energy and water	
Staff not fully occupied	
Other (please specify)	

Q20. How would it have been funded without grant-aid?

Options	Select all that apply
Loan	
Savings	
Sale of land	
Other (please specify)	

GO TO Q23

Q21. Which of the following would have been consequences for your project, if you hadn't received the grant?

Options	Select all that apply
It would have happened more slowly	
It would be on a smaller scale	
It would have happened at a later date	
Less spend on product development / marketing	
Use second hand equipment	
Other (please specify)	

GO TO Q23

Q22. Why wouldn't you have gone ahead with the project/investment?

Options	Please rank the order in terms of how relevant it is (1=most relevant)
Lack of funding/access to credit	
Lack of technical knowledge or support	
Lack of business knowledge or support	
Didn't know where to start	
Other (please specify)	

SECTION D: Impact

Q23. (a) Has the capital grant you received had any effect on jobs within your business?

Options	Select one option	Skip logic
Job increased		
Anticipated job increases		
Jobs decreased		
Anticipated decreases		
Job safeguarded*		
Anticipated job safeguarded		
Improved job efficiency		
Making tasks easier/less physical effort and/or duration		
No effect		GO TO Q24

Note: Jobs safeguarded are where jobs are known to be at risk over the next 12 months

Q24. How many of these job increases/decreases or jobs safeguarded are (expected to be) ....?.

Full time ________

Part time, that is, under 30 hours per week ________

Seasonal _____________

Q25. How many new jobs, if any, has the SPG grant you received helped to create within your business?

Full time ________

Part time, that is, under 30 hours per week ________

Seasonal workers/agency_____________

Contractors____________

Q26. Has the SPG grant for your project/investment led to the employment of anyone that was previously unemployed?

Yes

How many?

No

Don’t know

Go to Q26

Q27. (a) How have your business sales changed or is likely to change as a direct results of investment funded by SPG? If your project is not yet complete, please base your answer on the predicted change.

Options	Select one option
Increased	
Anticipated increases	
Decreased	
Anticipated decreases	
No change	

(b) please specify changes in sales ____________%

Q28. (a) How much has your business profit changed or is likely to change as a direct result of investment funded by SPG? If your project is not yet complete, please base your answer on the predicted change.

Options	Select one option
Increased	
Anticipated increases	
Decreased	
Anticipated decreases	
No change	

(b) please specify changes in net profit ____________%

Q29. (a) How much do you think your annual trading costs changed or are likely to change as a direct result of investment funded by SPG? If your project supported by SPG is not yet complete, please base your answer on the predicted change.

Options	Select one option
Increased	
Anticipated increases	
Decreased	
Anticipated decreases	
No change	

(b) please specify changes in costs ____________%

Q30. (a) How have your business turnover changed or is likely to change as a direct results of investment funded by SPG? If your project is not yet complete, please base your answer on the predicted change.

Options	Select one option
Increased	
Anticipated increases	
Decreased	
Anticipated decreases	
No change	

(b) please specify changes in turnover ____________%

Q31. (a) Has the grant support allowed you to improve productivity?

Options	Select one option	Skip logic
Yes		
No, but expected to improve productivity		
No		GO TO Q32

(b) If so, please detail HOW this has been/will be achieved.

Options	Select all that apply
New technologies and innovation	
Access research and knowledge	
Cooperation with others	
More efficient use of labour	
Upgraded facilities and equipment	
Replacement facilities and equipment	
Improved scale of production	
Improved animal health and welfare	
Improved nutrient management	
Improved water use efficiency	
Improved energy use efficiency	
Reduced other inputs/costs	
Improved resilience of the business to climate change	
Other (please specify)	

Q32. Are you aware of any impacts of your project on other local businesses, positive or negative e.g. buyers or suppliers, contractors?

Yes (please specify) _______________

No

a. Were input purchases from local area (within 30 miles?)

b. Have suppliers increased or decreased as a result of the investment? (increase/decrease/no change/don't know)

c. What proportion of the capital investment was sourced locally (within 30 miles)? __________%

SECTION E: Business outlook

Q33. What are your future plans for your business?

	Select one option	Skip logic
To grow the business gradually over time		GO TO Q34
To expand the business rapidly		GO TO Q34
To keep the business about the same size		GO TO Q35
To reduce the size of the business		GO TO Q35
To diversify the business		GO TO Q34
Transfer the business to a family member		GO TO Q35
Cease trading		GO TO Q35
Other (specify)		GO TO Q35

Q34. What external factors, if any, might make it difficult to grow or diversify your business?

	Select one option
Current financial climate	
Lack of farm infrastructure	
Obtaining planning consent	
Access to land	
Difficulties in recruiting or retaining staff	
Internet access or broadband provision	
Access to customers or suppliers	
Uncertainty over future government policy	
Other (write in)	

Q35. (a) How important was the SPG grant to these plans?

	Select one option
Not important	
Moderately important	
Very important	

(b) Please explain why you thought it was important/not important:

____

Q36. (a) Are you likely to use the existing or a new business plan to grow your business?

	Select one option
Continue with existing business plan	
Develop/update current business	
Develop a new business plan	
No	

(b) Please explain your selection:

____

SECTION E: The applicant business

Q37. How many staff, including yourself are employed in your business? Please specify for full time and part time (by part time we mean working up to 30 hours per week).

	Full time	Part time
None		
1		
2-3		
4-5		
6 - 10		
11 - 20		
21 - 50		
51 - 100		
101 - 250		
251 +		

Q38. Which of the following best describes the annual turnover of your business?

Options	*Please Select one*
Under 10k	
£10k to under 25k	
£25k to under £50k	
£50k to under 75k	
£75k to under £100k	
£100k to under £250k	
£250k to under £500k	
Above 500k	

Q39. Have you accessed capital support from other providers previously, e.g. grant assistance or from other support schemes , or repayable finance from other support schemes or commercial lenders

	Select one option
Yes	
No	

End interview, thank participant. Ask about willingness to participate in an in-depth interview. Thank you for taking part in the survey

Q40. Are you willing to participate in the 2nd stage of the research for an interview with an ADAS consultant?

Yes (please provide Name, Farm Name, Telephone number, Email)

Annex E: Interview Guide (windows 1-3)

Questions No.	Discussion question	Follow up questions and prompts *These are to be used if not covered by general discussion question*
Opening questions (background information about the farm business and the SPG project)		
1.	Can you please tell me about your farm and the business activities you carried out before receiving the grant?	• Farm type • Size • Challenges and needs
2.	Can you please briefly explain the project you carried out with the grant and what were the impacts and outcomes did you expect to achieve through the investment?	• What was the main focus of your project? • What capital items did you invest in? why did you choose them? • What were your objectives for the project? • Overview of the expected impacts and outcomes
Application process and implementation		
3.	Can you please tell us about some of the processes you went through to apply for the grant?	• Did you apply yourself? • Did you use a consultant?
4.	Could you please tell me about your experience of the grant application process?	• Was the application process straightforward? • Or did you encounter any challenges or difficulties?
5.	Is there anything you think could be improved when applying for grants?	• Improve the process? • Improve the understanding? • Improve the relatability or relevance?
Impact		
6.	In what ways has the grant mostly helped your farm productivity and profitability?	• Productivity, labour efficiency, resource efficiency, reducing cost etc.? • Please can you provide examples of how the grant helped in these aspects? • Can you rank the ways it has helped from most important to least?

<table>
<tr><td>7.</td><td>Did the SPG make your business more:
Resilient?
Efficient?</td><td>If yes, in what way
If no, why not and would have helped?
How has the investment helped you to better manage risks or adapt to changes in the industry or markets?
How has the investment contributed to the long-term sustainability of your farm business?</td></tr>
<tr><td>8.</td><td>Have you seen a noticeable environmental impact from the capital item funded by the grant?</td><td>Has it helped reduce emissions?</td></tr>
<tr><td>9.</td><td>Did the investment contribute to business development?</td><td>Yes/No
If yes, please provide examples</td></tr>
<tr><td>10.</td><td>Did the investment result in any significant changes to your farm operations or production practices?</td><td>Did the investment lead to any new opportunities or markets for your business?</td></tr>
<tr><td>11.</td><td>What would you say was the biggest impact from the grant?</td><td>Rank order of what was previously discussed</td></tr>
<tr><td colspan="3">Business Plan</td></tr>
<tr><td>12.</td><td>Did you find the process of developing a 5-year business plan helpful in guiding your business decisions?</td><td>Did you encounter any challenges in developing a realistic business plan? Did the requirement to develop a business plan impact your subsequent business decisions, and if so, how?
Some information available in online survey (Q.36) - Are you likely to use the existing or a new business plan to grow your business?</td></tr>
<tr><td>13.</td><td>Did you achieve the objectives detailed within your 5-year business plan?</td><td>Were the financial projections and projected enterprise margins and profit achieved? (yes, no) If not, why.
Were the financial benefits of the investment, as projected in your business plan, achieved (increase turnover, profitability)?</td></tr>
</table>

14.	a) For those who have achieved the objectives in the business plan, and if they are still using the business plan, in what ways has it been useful?	• Is it still supporting your business? • Did you use Benchmarking, • What's the role of external advisor? • Did you update it? • Are there still any areas it could improve?
	b) If no longer using the business plan, why was is not useful?	• What could it have done better? • Are you using a better business plan now (how is this better)? • Have you stopped using a business plan altogether and why?
Achievements and additional support		
15.	Did the final capital costs of the project in line with your business plan?	• Where they less or more? • Do you think the grant should have supported you more with this?
16.	Has this helped to develop local suppliers or business around you	• Do you think it had a wider impact to your community or Welsh farmers as a whole?
17.	Have you received any additional support during the project or is there anything further the SPG could have assisted in?	• Was the grant sufficient? • Was there any additional training or advice needed?
Additionality		
18.	Considering the improvement to the business, could the investment have been made without grant support?	• Would you have gone ahead with your project without the grant support? why
19.	Were there any unexpected challenges during the project, and how did you address them?	• Brexit, COVID (after the grant), etc. • Some information in online survey (Q34) What *external factors, if any, might make it difficult to grow or diversify your business?*

Suggestions on improvement		
20.	Do you have any suggestions on how to improve the grant scheme and similar future schemes based on your experience?	• Or any other additional comments that you would like to make?

Annex F: Focus Group Guide (Windows 4-7)

Questions No.	Discussion question	Follow up questions and prompts *These are to be used if not covered by general discussion question*
Introductions (10mins) Providing the overview of the purpose of the focus group and collect background information about participating farms		
1.	Can you each briefly tell me about your farm, business activities and the reasons that you applied for the grant?	• Farm type • Location • Size • Challenges and needs • Drivers: financial incentives, environmental concerns, regulatory requirements, or market demand. • Were there any particular challenges that made you decide to access to the grant?
Application process and implementation (15mins)		
2.	What are your experiences with the grant application and claim process?	• Was the application process straightforward? • Did you experience any challenges? • How did you overcome these changes? • Was external help needed for overcoming the challenges? • Was the application process straightforward? • Did you experience any challenges?
3.	Do you have any suggestions on how to improve the grant scheme and similar future schemes based on your experiences?	• What would you say is the most needed improvement? • Does anyone agree or disagree with the suggestions given? • Are there any language-related barriers or issues encountered and how do you think the should be improved?

<table>
<tr><td>4.</td><td>Was Farming Connect involved with the application?
Did you use a consultant?</td><td>• Was FC useful ?
• Should a consultant be needed?
• Should WG incur the cost or provide a consultant?</td></tr>
<tr><td colspan="3">Impact and achievements (30 mins)</td></tr>
<tr><td>5.</td><td>Have you achieved or on track to achieving any of the main objectives you set out to do with the grant?</td><td><u>Objectives</u>
• To enhance on-farm nutrient management
• To protect and enhance water, soil and air quality
• To increase on-farm water efficiency
• Increase on-farm resource efficiencies
• For Window 7 applicants, has the grant helped in supporting you to ensure compliance with the Water Resources (Control of Agricultural Pollution) regulations 2021?

(Presentation for Q4: objectives will be shown)</td></tr>
<tr><td rowspan="2">6.</td><td>a) For those that did achieve their objectives, did the grant fully support you in doing so?</td><td rowspan="2">• Could the grant have supported you more?</td></tr>
<tr><td>b) What were the reasons you were unable to achieve the objectives of the grant?</td></tr>
<tr><td>7.</td><td>Did the grant deliver primarily economic or environmental benefits to your farm?</td><td>• Do any agree/disagree that the grant was sufficient in achieving a noticeable environmental impact?
• Examples</td></tr>
</table>

8.	In what ways has the SPG supported your businesses or businesses/suppliers around you? a) (If it has not helped) Why wasn't it helpful and what could have been done instead to support you more?	• Has it helped with creating resilience on your farms? Examples. • Overall, do you think it's helped further resilience in the farming sector in Wales? • Did the investment have any long-term effects on your community or local businesses?
9.	Was the business plan you initially applied for the grant with used throughout the project or just at the application stage?	• Yes/No • Reasons for using/not using • Was the business plan beneficial to the management of your business?
Additionality and improvements (15mins)		
10.	Considering the improvements to your businesses, could the investment have been made without grant support?	• Would your project have been possible without SPG support? • Was there similar funding available for your project? • If no, would you have considered the project on a smaller scale /at a later date (without funding)?
11.	Were any of you impacted by unexpected challenges during the project, and how did you address them?	• Brexit, COVID etc. • Did the grant support you in these unexpected challenges? • Planning • SuDS (Sustainable Drainage System?)
12.	Do any of you have suggestions on how to improve the grant scheme and similar future schemes based on your experience?	• Of the mentioned improvements, which ones do you think are the most important? • Or any other additional comments that you would like to make? • Any suggestions on how best to support Welsh-speaking farmers within the grant scheme?

13.	Do you have any further questions or comments around the project or the SPG grant?