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**Cumbria County Council**  
Evaluation of the 2014-20 Cumbria Fells and Dales  
LEADER Programme  
Final Report

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**December 2020**

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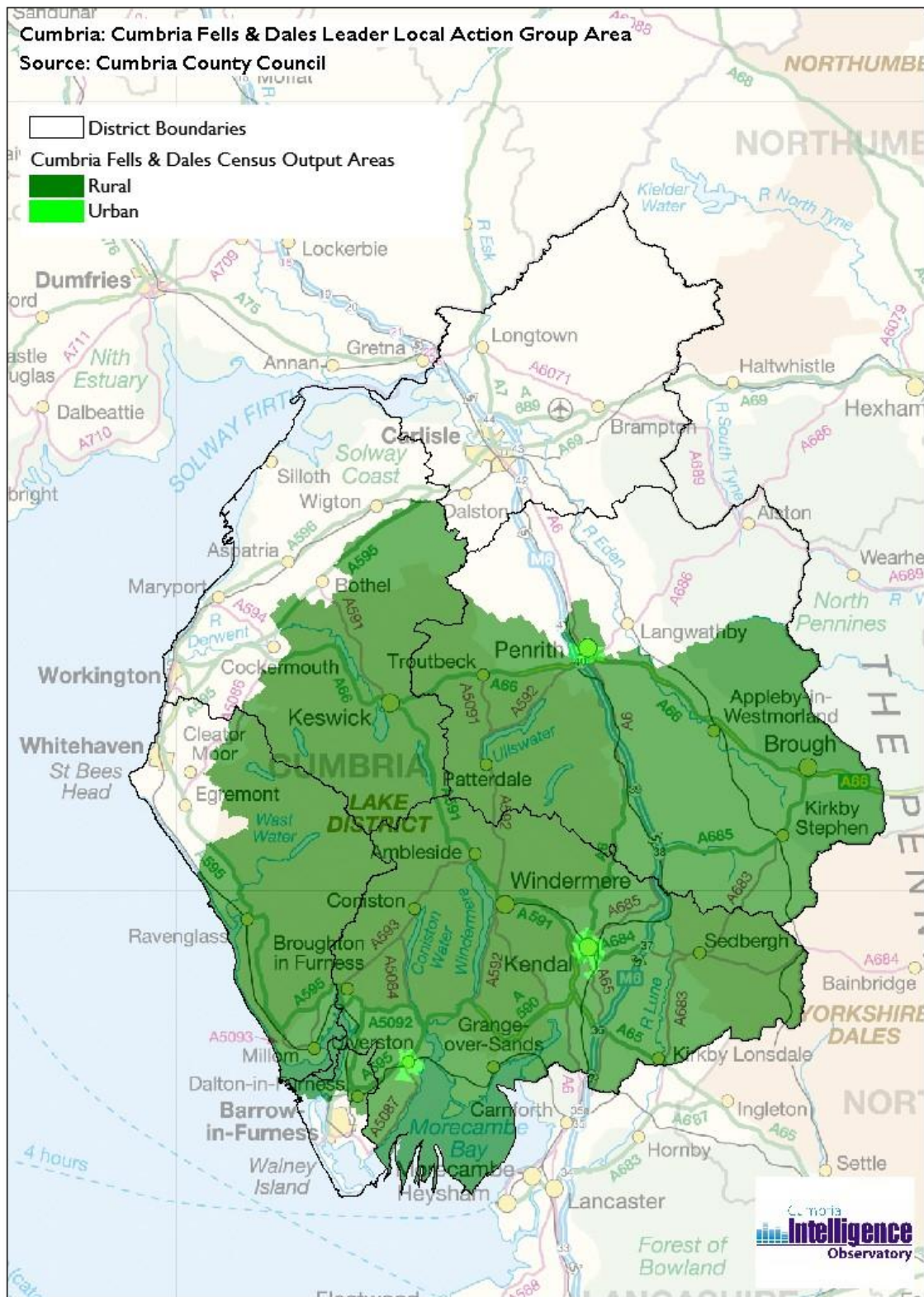
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The Centrifuge Team would like to thank all of those who took the time to respond to questionnaires and undertake interviews over their experience of the Programme, including the Economic Programme Team and LAG members who commented on the drafts.

We would also like to thank the following LEADER Programmes for sharing their experience:

- Lancashire West;
- Lancashire Pennine Moors;
- Lancashire North & Bowland;
- Cheshire & Warrington;
- Cheshire East.

<b>Acronyms used in the Report</b>	
<b>CCC</b>	Cumbria County Council
<b>CFD</b>	Cumbria Fells and Dales LEADER Programme
<b>CLLD</b>	Community Led Local Development
<b>Defra</b>	Department for Environment, Food and Rural Affairs
<b>ECR</b>	Eligibility and Completeness Review
<b>EPT</b>	Economic Programmes Team, Cumbria County Council
<b>EU</b>	European Union
<b>LAG</b>	Local Action Group – who meet once a year to appoint the LAG Executive
<b>LAG Executive</b>	Elected body who support and make decisions on the grant applications.
<b>LDS</b>	Local Development Strategy
<b>LEADER</b>	Liaison Entre Actions de Développement de l'Économie Rurale (Liaison among Actors in Rural Economic Development)
<b>RPA</b>	Rural Payments Authority
<b>SBE</b>	Solway, Borders and Eden LEADER Programme
<b>SME</b>	Small and Medium Enterprises



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## **EXECUTIVE SUMMARY: Cumbria Fells and Dales LEADER**

### **The Programme**

The European Union (EU) LEADER programme has been in existence since 1999, and has gone through 5 programmes, with the latest iteration in 2014-2020 intended to have a focus on community-led local development (CLLD).

The LEADER approach has been applied in Cumbria Fells and Dales (CFD) through the last four programmes, since 1994.

### **Delivery**

Although an EU wide programme, overall management is undertaken at the state level, in the case of England by the RPA, which sets overall priorities, and ultimately approves funding. Local financial accountability is maintained by the Accountable Body, in this case Cumbria County Council (CCC).

The Local Action Group (LAG) Executive representing local interests, and the Local Development Strategy (LDS), developed through extensive local consultation in 2015, are central underpinning factors to the CLLD approach. The LAG Executive is intended to ensure that there is local guidance and direction over the funding process, and the LDS provides the evidence base to ensure investment is rooted in local needs.

The 2014-2020 iteration of LEADER in England introduced significant changes from earlier versions, with the Department for Environment, Food and Rural Affairs (Defra) Rural Payments Agency (RPA) introducing guidance after the preparation and consultation on the Local Development Strategy, with a focus on small grants to businesses. This created significant disarticulation between the ambitions set out in the LDS and the realities of the funding programme. It also had the effect of significantly reducing the amount of animation that could take place to stimulate rural regeneration and sustainable communities.

While the support offered through the delivery of the Programme broadly addressed the needs identified in the LDS, the original intention of delivery was in a sense undermined by the subsequent Scheme Guidance issued by RPA, which limited the scope of support, entirely removing locally identified priorities, such as training and co-operation. This had the overall effect of making the priority of the Programme focus on small capital grants to businesses. Additionally, the RPA was perceived as being the driving force behind investment, rather than the LAG.

Over the Programme period, there have also been a significant number of externalities impacting on delivery. These comprised:

- Delays in allocating the funding associated with the Programme, with a year's gap between the end of the 2007-13 Programme, and opening the new Programme to allocations in 2015;
- Five Pre-election Period Restrictions, which interrupted delivery by up to 5 months;
- The uncertainties introduced by the Brexit process;
- In the latter stages of the Programme, the Covid-19 pandemic.

Despite these limitations, a successful programme of grant interventions, leading to significant economic development gains, was achieved.

## Achievements



- £6.16m invested in the local economy
- Forecast £2.55m LEADER investment
- £3.6m match funding levered



- 108 projects supporting over 100 organisations
- Over £1.3m directly invested in SME development and creation
- 93 micro businesses supported with over £2.1m of LEADER grants



- At least 47 local farming businesses supported through direct investment
- Over £630,000 LEADER grants to livestock farms
- Over £250,000 LEADER investment in farm productivity



- Investment across the CFD area with projects in 52 different wards
- £1.46m LEADER investment in South Lakeland and £768,000 in Eden district
- Over £880,000 LEADER investment in businesses and communities within the National Parks



- By 2023, the Programme is projected to have generated an additional:
  - 112 full-time equivalent jobs
  - £20.6m turnover
  - £7.0m gross value added



- Engagement with local interests through LAG Executive, with member inputs worth in excess of £33,000
- Additional £0.7m social value a year in rural services projects
- Wider public cost savings through fitness and wellbeing through use of supported facilities.

## Lessons Learned

### **Covid-19:**

Although only becoming an issue towards the end of the Programme, the closedown arising from the response to the pandemic will have an impact on delivery of projects and their outputs, outcomes and impact, especially on timing.

It is too early to say what the medium to longer term impacts will be, although some beneficiaries have reported postponing activities to Spring 2021, and many are experiencing significant cashflow issues. Continuing uncertainties over future restrictions will add to these problems. While there are some national support programmes, local flexibility will be key to supporting fragile rural communities and businesses in their recovery.

### **Political externalities:**

The delivery of the programme was disrupted by political externalities, with the imposition of pre-election period restrictions interrupting the grant application process at a number of periods over the Programme, and also having implications for engagement and impact. This restricted activities for c.5 months of the programme.

While democratic cycles are outside local control, consideration needs to be given to the impact of such restrictions on programme continuity, and the ability to operate effectively.

### **Complexity of Process:**

There was a consensus that the processes involved in allocating grants were considered to be unnecessarily complex, especially in terms of:

- Proportionality – small grants had to go through exactly the same two-stage process as larger grants, having the effect of incurring additional expense and time, and in some cases, discouraging applications;
- Procurement – the need for competitive tenders for all purchases created issues in small local economies with a limited number of suppliers, as well as creating additional tasks in appraisal for the Accountable Body;
- Match Funding – limited access to funds, notably bank loans had some impact on take-up.

In any future programme, consideration should be given to simplifying application and appraisal processes, especially for smaller grants.

### **Role of the LAG Executive:**

While remaining central to the process, the role of the LAG Executive, and relevance of the LDS was diminished, with the guidance set by the RPA taking precedence. This had the effect of lessening the CLLD impact of the Programme, making local priorities less of a consideration than in earlier programmes.



There is a value in maintaining a local interest in financial support in rural areas, and tailoring resources to specific local needs, allowing for flexibility in investment. Any future rural grant scheme should restore the central role of the LAG Executive and LDS in decision making; sustaining the link between investment and CLLD.

### **Managing Authority Constraints:**

As the Accountable Body, CCC through, its Economic Projects Team (EPT), had the responsibility of administering the Programme in line with RPA guidance. This placed restrictions on the way in which the EPT could act, in particular limiting its animation role, which had been central to earlier LEADER programmes. While an element of support could be provided to applicants, this tended to be restricted to the application and appraisal process, rather than being a more pro-active community facing role appropriate to CLLD.

This confirms the argument for greater local flexibility in programme delivery, which should be a component of any new rural development scheme. This does not, of course, mean that due diligence can be wholly ignored. It also points to the importance of animation in taking forwards the priorities of the LDS.

### **Economic Focus:**

The 2014-2020 Programme was designed by RPA as primarily an economic development programme, which provided capital grants to SMEs. The evaluation has shown that the Programme was successful in achieving economic impact, contributing to employment and GVA growth in a fragile rural area.

However, this focus had the effect of some dilution of the seven LEADER principles<sup>1</sup>, and impacted negatively on the CLLD approach.

### **Future of Locally-delivered Rural Grant Support:**

Experience of delivery of earlier LEADER programmes, and the findings of this evaluation point to an ongoing need for a locally managed rural development programme that delivers integrated and multi-sectoral actions.

Economic uncertainties, such as those created by Brexit and the Covid-19 crisis, create a strong argument for targeted and flexible resources that will sustain rural resilience, and future post-Brexit funding sources should be identified to continue this type of CLLD intervention.

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<sup>1</sup> Area based Local Development Strategies; Bottom-up approach; Local public-private partnerships; Local Action Groups; Innovation; Integrated and multi-sectoral actions; Cooperation; and Networking.

## Summary

The Cumbria Fells and Dales LEADER Programme 2014-2020 provided grant support in rural Cumbria, as part of a European Union Programme.

In its current iteration, English LEADER, under the influence of the Rural Payments Agency, moved more towards a business grant than a rural regeneration programme, a break that impacted on perceptions over delivery.

Additionally, interruptions in delivery due to the impact of pre-election period restrictions had an effect on continuity of delivery.

The evaluation is framed in the context of a logic framework, examining the impact of delivery and spend over the area.

## 1. Introduction

### 1.1 The Report

This is the Final Report for the evaluation of the Cumbria Fells and Dales (CFD) LEADER Programme 2014-2020.

The report draws on activities to date, including:

- Review of programme documentation;
- Interviews with the delivery team and Local Action Group (LAG) members; and
- Analysis of the beneficiary on-line questionnaire, of which there were 44 completed responses;
- Follow-up telephone interviews with 22 beneficiaries;
- Interviews with 5 other LEADER groups in Northern England

The Report has been prepared to:

- Undertake analysis of project records. The data interrogated for this report dates to August 2020;
- Map performance against the Logic Model; and
- Identify lessons learned for future interventions.

### 1.2 The Programme

CFD is one of two LEADER programmes operating in the Cumbria County Council area. It forms part of the English approach to the EU-wide rural community led local development programme, operating under the guidance of the Rural Payments Authority (RPA) as Managing Authority. A concurrent evaluation of the other Cumbrian Programme, Solway, Borders and Eden, took place.

The approach is informed by a Local Development Strategy (LDS) developed through wide spread consultation across the area and approved by the LAG Executive in 2015. The LDS has a broad focus on:

- Supporting heritage and culture;
- Establishing, growing and sustaining inclusive rural businesses;
- Improving the economic performance of specific sectors; and
- Building stronger and more resilient communities.

While the Programme is intended to be guided by the LDS, the current iteration of the Programme guidance as issued by the RPA after the LDS had been concluded had a much stronger economic development focus than earlier programmes, resulting in a number of measures that were identified in the LDS not being deliverable. This is explored further in this report.

## 1.3 Background

### 1.3.1 The Programme

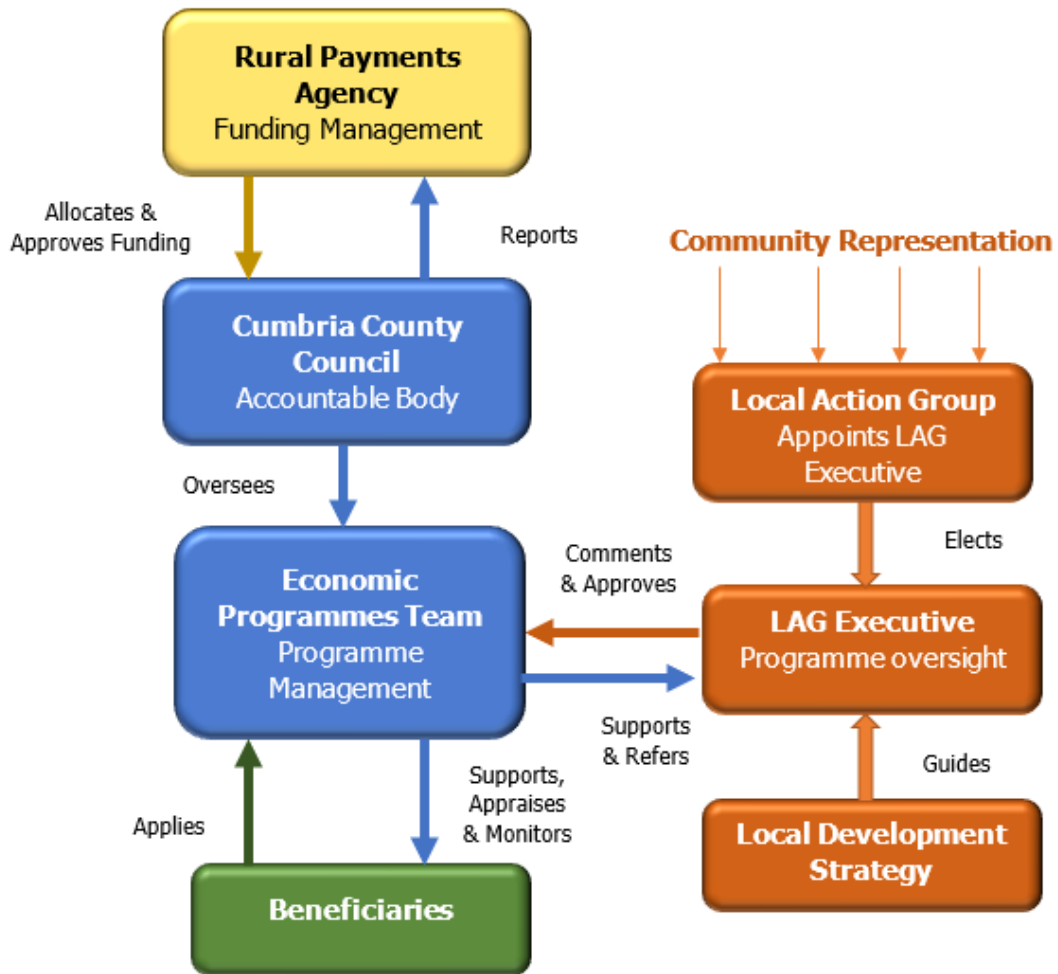
The European Union (EU) LEADER programme has been in existence since 1999, and has gone through 5 programmes, with the latest iteration in 2014-2020 intended to have a focus on community-led local development (CLLD), based on seven key principles:

- Area based Local Development Strategies (LDS);
- Bottom-up approach;
- Local public-private partnerships in Local Action Groups (LAGs);
- Innovation;
- Integrated and multi-sectoral actions;
- Cooperation; and
- Networking.

Although an EU wide programme, overall management is undertaken at the state level, in the case of England, the Department for Environment, Food and Rural Affairs (Defra) Rural Payment Agency (RPA), which sets overall priorities, and ultimately approves funding. Local financial accountability is maintained by the Accountable Body, in this case Cumbria County Council (CCC).

The primary tool for the application of the programme at local level is the LAG Executive, a locally appointed body that oversees the allocation of funding, guided by a Local development Strategy (LDS) developed through local consultation. **Figure 1.1** below illustrates the relationships between key partners.

**Figure 1.1 CFD LEADER Delivery**



### 1.3.2 CFD LEADER

The LEADER approach has been applied in CFD through the last three programmes, since 2002. The locality therefore has extensive experience of delivery of the LEADER approach, with some LAG members having been involved throughout that time.

The evaluation of the 2007-13 CFD Programme concluded that:

*'The theory of LEADER is based on a holistic model of rural development. This theory is focused on harnessing local knowledge and stimulating innovation, with a view to improving all aspects of the quality of life of a locality. In England a more 'top down' model of economic development has led to LEADER being seen as a supplementary grant fund to other larger scale interventions. In many areas this has challenged the operation and impact of the programme.'*

*The key to the success of the CFD programme lies in the fact that it has been able to operate in a way which is closely aligned to the full principles of LEADER. It has been able to do this because of the breadth of activities it has been able to support and the scale of resources it has been able to deploy. There are two key aspects of the*

*programme which characterise its distinctive achievements namely: its design and its delivery approaches'*

The 2014-2020 iteration of LEADER in England introduced significant changes from earlier versions, with RPA introducing guidance after the preparation of the LDS, with a focus on small grants to businesses. This created significant disarticulation between the ambitions set out in the LDS and the realities of the funding programme. For example, gaps that developed because of this included training, digital economy, community regeneration and cooperation.

Consequently, the current iteration of the English LEADER programme effectively became more of a capital grants programme focused on supporting job creation, than the community led socio-economic development programme LEADER was designed and delivered as under previous programmes. Such a shift was generally acknowledged as a response to criticisms regarding funding decisions made in some local LEADER programmes across England, and while CFD was widely acknowledged as an exemplar in the effective delivery and utilisation of LEADER funding this national decision directly impacted on the area, despite it having been held as an example of good practice during previous LEADER programmes.

This has left a feeling among some, more experienced LAG members that the programme was no longer following the LEADER principles, or Point 5 of the 1996 Cork Declaration, which affirmed:

*'Given the diversity of the Union's rural areas, rural development policy must follow the principle of subsidiarity. It must be as decentralised as possible and based on partnership and co-operation between all levels concerned (local, regional, national and European). The emphasis must be on participation and a 'bottom up' approach, which harnesses the creativity and solidarity of rural communities. Rural development must be local and community-driven within a coherent European framework.'*<sup>2</sup>

The issues that arose from this are discussed through this Report.

### 1.3.3 Externalities

There were initial delays in allocating the Programme. The earlier LEADER Programme (2007-13) ended on 31 December 2013, with a transition period to the end of 2014. Initial confirmation of the new Programme was received on 26 November 2014, although no funding allocation was made at this point. The final offer letter was received on 11 September 2015, with Programme launch on 18 November 2015.

In addition, over the delivery period of the programme, there have been significant political influences that have impacted on delivery. Most notably, the 2016 EU Referendum, which has led to the UK leaving the EU, with all of the ramifications that this entails, introduced a significant level of uncertainty, impacting on:

- Business confidence and access to markets; and

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<sup>2</sup> [http://www.terport.hu/webfm\\_send/545](http://www.terport.hu/webfm_send/545)

- Concerns over future rural development support, and the role of local communities in directing this.

Added to this over-riding consideration, the number of elections and political events that took place over the programme period led to a significant level of interruption of programme activity, with the imposition of pre-election period restrictions<sup>3</sup>. While there would normally have been European and County Council elections over this period, the number of events had the effect of restricting activities for over 5 months of the programme. This impact was also a concern expressed by other LEADER groups consulted as part of the evaluation with each of these events having an individual and collective impact on the programme, actual and potential applicants and the LAG itself; with delays to programme decision making processes and the delivery of projects and challenges to sustaining the active engagement and interest of LAG members

The relevant dates are summarised in **Figure 1.2** below.

**Figure 1.2: Impact of Pre-election Period Restrictions (PPR)**

Event	PPR began	Ended	Duration
2016 EU Referendum	27 May 2016	23 June 2016	4 weeks
2017 Cumbria County Council Election	23 March 2017	5 May 2017	6 weeks
2017 UK General Election	22 April 2017	13 June 2017	7 weeks
2019 European Parliament Election	2 May 2019	23 May 2019	3 weeks
2019 UK General Election	6 November 2019	17 December 2019	6 weeks
<b>TOTAL</b> (excluding 2017 overlap)			<b>25 weeks</b>

In addition, the need for political realignment after the UK General Elections introduced further delays, which meant that new applications were not being accepted, and others delayed. These uncertainties required flexibility on the part of the CCC Economic Programmes Team (EPT) to ensure that there continued to be a stream of projects that could benefit from the programme, and that the full allocation of budget could be made within the programme timeframe.

The final major externality that will impact on eventual delivery of outputs will be that of Covid-19 after 17 March 2020. While this had limited impact on approvals and project submissions, it has clearly led to the delay, or in some cases, abandonment, of proposals in the face of financial crisis. This is further discussed in **Section 6.2** below.

## 1.4 Logic Framework

The impact assessment in this evaluation uses a Theory of Change<sup>4</sup> approach that maps out the inter-relationships from the rationale underpinning the Programme, to the outcomes and

<sup>3</sup> The period of time immediately before elections or referendums when specific restrictions on communications activity are in place

<sup>4</sup> <https://www.theoryofchange.org/what-is-theory-of-change/>

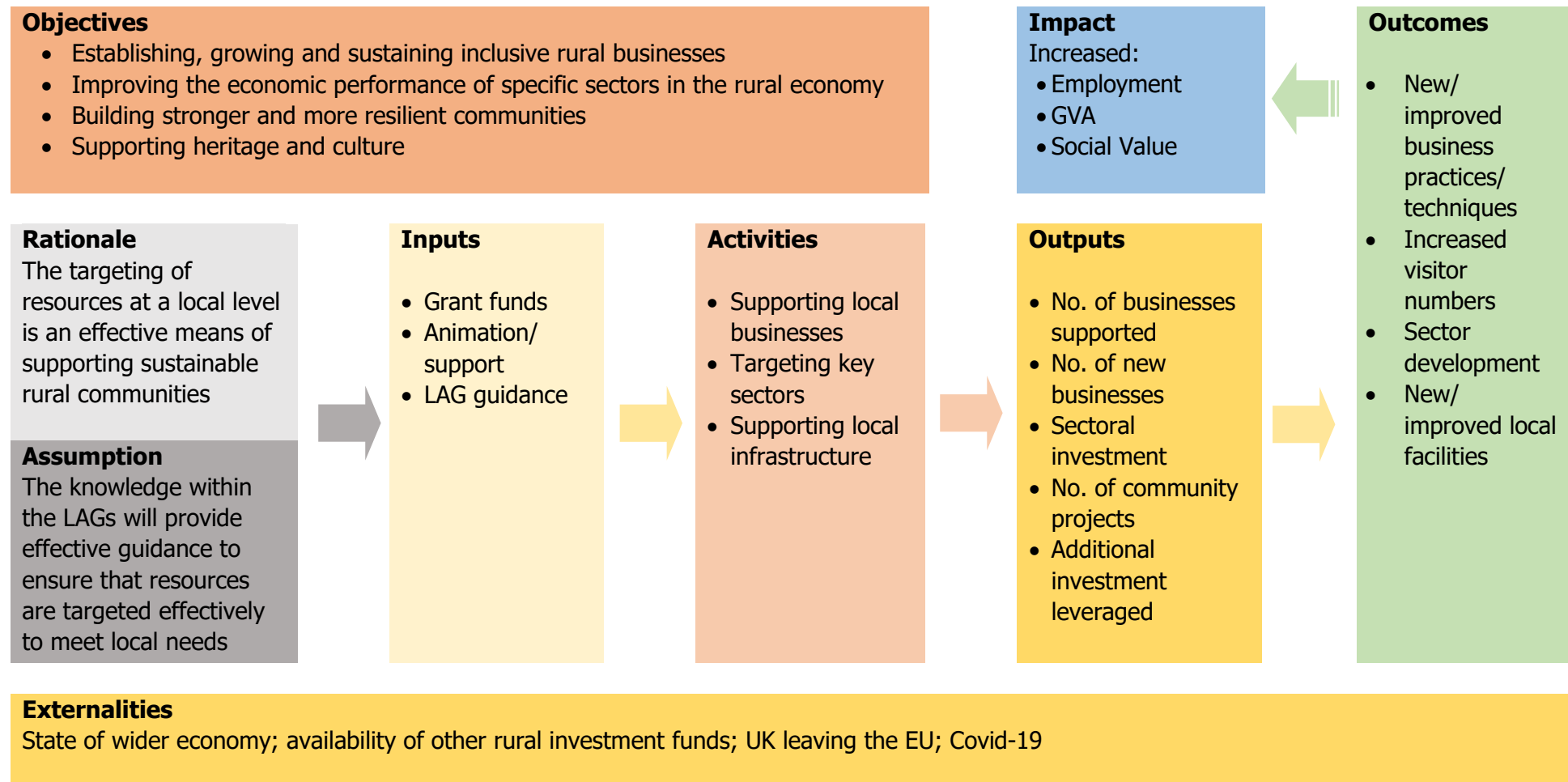
impacts that emerge. It frames the various stages and linkages that occur and uses the approach to place the evaluation within the context of the Green Book<sup>5</sup> ROAMEF (Rationale; Objectives; Appraisal; Monitoring; Evaluation; and Feedback) cycle.

**Figure 1.3** overleaf shows the logic framework underlying the intervention. It informs the structure of the Report.

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<sup>5</sup> <https://www.gov.uk/government/publications/the-green-book-appraisal-and-evaluation-in-central-government>

**Figure 1.1: Logic Framework – CFD LEADER 2014-2020**





## Summary

The Programme contracted 108 grants, with a total value of £2.55m. There was a high attrition rate from expressions of interest to grant, with 212 applications withdrawn by applicants.

The Economic Projects Team of Cumbria County Council provided project management, and supported the Local Action Group Executive, who decided on applications. While the Local Development Strategy, which was developed through extensive consultation in 2015, was intended to guide the Programme, later guidance from the Rural Payments Agency superseded significant parts of the strategy, meaning that certain components could not be delivered.

## 2. Process and Inputs

### 2.1 Delivery

CFD is supported by the CCC EPT that also provide the administration for the neighbouring Solway Borders & Eden Programme. It should be noted that the level of administration budget does not allow for the level of animation LEADER Programmes, with spend being capped at 22% of the total Programme budget, although the actual spend to August 2020 was 18%. This compares to 16% in the 2007-13 Programme.

These restrictions have meant that there is limited room for animation and support for the development of appropriate local projects, and the current programme is therefore highly reliant on self-selection of projects, with development support limited to supporting the application process. This is also a reflection of the fact that the administrative burden on the delivery team is very significant and takes up a great deal of the management resource.

The Programme did generate significant interest, pointing to the fact that there have been successful earlier versions of the Programme run in the CFD area, creating local familiarity with the approach. New processes did mean that there was a relatively high attrition rate from interest to award, with only **33%** of proposals moving forward.

**Figure 2.1** below shows the status of the applications. 108 grants were awarded.

**Figure 2.1: Application Status**

Status	Number
Withdrawn by applicant	212
Contracted (including closed)	108
Rejected	44
Stopped for other reasons	5
<b>Total</b>	<b>369</b>

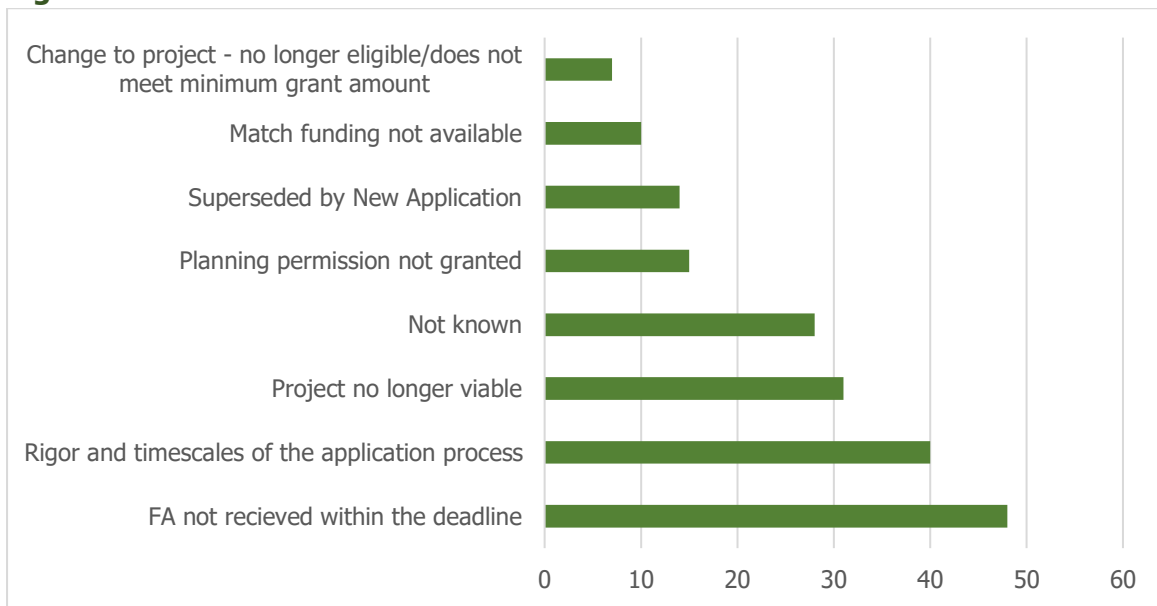
A significant number (57%) of applications were withdrawn at various stages, perhaps a reflection of difficulties in obtaining match funding, and of the level of information required

from applicants to obtain support. The rate of withdrawal increased as the Programme developed. Of the 212 withdrawn applications:

- 15% were withdrawn in 2016;
- 23% in 2017;
- 33% in 2018;
- 11% in 2019; and
- 16% in 2020.

**Figure 2.2** below shows the reasons given for withdrawal.

**Figure 2.2: Reasons for Withdrawal**



It has also been suggested that the Pre-election Period restrictions (see **Section 1.3** above) had an impact on take-up.

## 2.2 Inputs

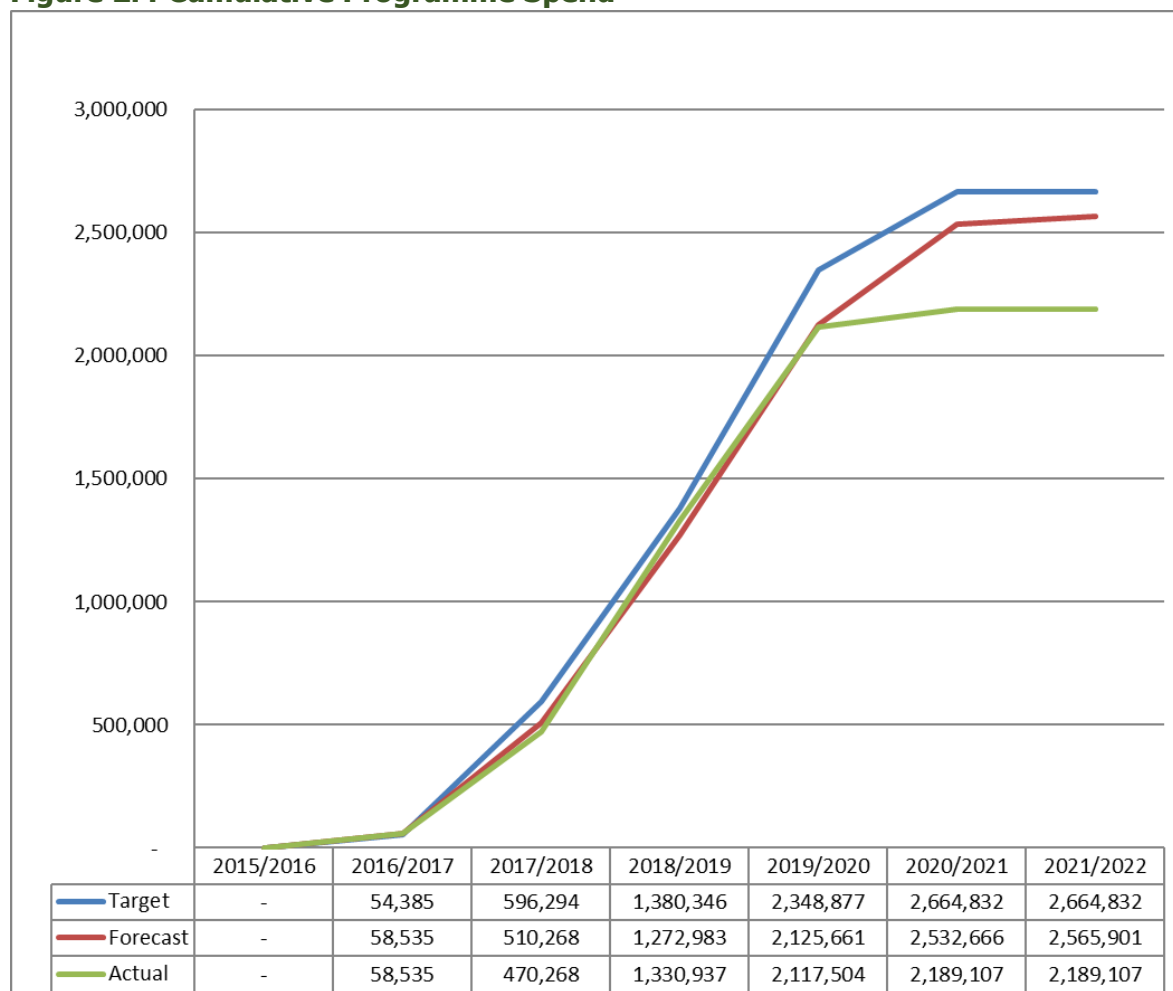
The final allocation of funds, set against the original allocation, is summarised in **Figure 2.3**.

**Figure 2.3: Inputs**

	Final allocation in July 2019	Exchange Rate Gains	Original Allocation
Date	May-20	Jul-18	Aug-16
Allocation	£3,249,795	£3,302,737	£2,948,400
Administration	£584,963	£541,000	£541,000
Projects	£2,664,832	£2,761,737	£2,407,400
<b>Allocation</b>			
Farm productivity	£259,848	£363,613	£224,000
SME Support	£1,493,477	£1,215,629	£1,000,000
Tourism	£575,161	£711,778	£600,000
Rural Services	£214,419	£225,149	£292,000
Cultural and Heritage	£62,654	£63,083	£124,000
Forestry Productivity	£59,273	£182,485	£167,000
<b>Total</b>	<b>£2,664,832</b>	<b>£2,761,737</b>	<b>£2,407,000</b>

Grants were contracted between August 2016 and May 2019. A further tranche of grants, utilising surplus funds, was released in late 2019. **Figure 2.4** shows the gradient of spend over the initial period. The average time taken from offer of contract to closing the grant file was **246** days.

**Figure 2.4 Cumulative Programme Spend**



**Figure 2.5** shows the total forecast investment enabled through the CFD LEADER programme with c.£2.55m of grants leveraging in an additional c.£3.6m of match funding from private and public sector sources resulting in a total expected investment of c.£6.1m in the area's rural economy and communities.

Data provided by the EPT shows that to August 2020 a total of £2.176m or 85% of forecast LEADER spend had been paid out in grants.

**Figure 2.5: Forecast investment**

Financial Inputs	Amount forecast
LEADER Grant	£2,565,901
Match Funds	£3,610,688
<b>Total Project Value</b>	<b>£6,176,589</b>
Av. Grant per project	£23,758
Highest individual grant	£175,674
Lowest individual grant	£2,452

The mean is significantly smaller than the average reported by the RPA across the English Programme on 27 November 2019, of £35,474, being 67% of this total.

Of these grants, 62 (59%) were for under £20,000, and 2 (2%) were for over £100,000. This compares to the English average at November 2019 of 47% and 6% respectively.

## 2.3 Access and Perceptions

Consultation with funded projects has revealed that professional and personal networks have been key to raising awareness of the programme with the LEADER website also playing an important role. The table below provides an overview of how projects consulted by the evaluation team initially heard about LEADER funding.

**Figure 2.6: Referral to Programme by Survey Respondents**

Source	No. of projects	% of projects
Email contact	3	7%
Local press	2	5%
Website	9	21%
Applied for LEADER funding before	4	10%
Support organisation	11	26%
Word of mouth from another source	13	31%
<b>Total</b>	<b>42</b>	<b>100%</b>

Survey respondents were also asked how easy it was to find out about LEADER with 0 being not at all easy and 100 being very easy. Projects funded in CFD gave a mid-range average score of 47 (median 50) suggesting some issues over access to information. A similar response was provided over how easy was it to access the funding, with a score of 46.

Respondents to the questionnaire and in interview raised a number of issues over accessing support. These highlight the challenges beneficiaries experienced through the application process and in securing the quotes required as part of their bid.

Specific responses included:

*'The process and timescales given are a challenge for a small business. There is a lot of work involved in preparing an Expression of Interest through to a full application particularly the gathering of multiple quotes. We are a small business with just 2 Senior Managers and the process was a large commitment in time every week for many months.'*

*'While I totally appreciate that accountability is necessary, the level of detail required in the application is totally unnecessary. In my opinion, those employed by CCC [EPT] should be tasked with finding more about the businesses and working more closely to complete applications. I am well educated but the meetings with CCC were overly complex...Such is the complexity that I had to employ a business adviser to help.'*

*'Considerable form filling and evidence gathering especially the number of quotes from specified sources.'*

*'Torturous application process requiring 3 quotes for pretty much everything, which took a lot of time as it's never that simple. I felt I had to compromise too as I had to go with the lowest price yet intuitively, I felt the guy wasn't up to the job and not professional in his approach then he let me down as his bill came up as double. Normally I'd have followed my intuition but in this case I couldn't as I had to go for lowest price, by which time I'd run out of time to ask anyone else for a quote.'*

*'The application process would be very daunting without the support of a member of the LEADER team [EPT].'*

*'The link of funding available to employment only. There are other key parameters, e.g. visitor numbers etc which should be considered and used as a benchmark for levels of funding that can be accessed.'*

*'I felt as though I was completing an application to make life easier for the agent/Cumbria County Council/European funding, rather than undertaking a useful exercise.'*

*'The rules and regulations are a nightmare. The payment in arrears after invoices have been paid makes the cash flow for a small community charity very tricky.'*

Clearly, the level of information required proved problematic for applicants, going some way to explain the relatively high drop-out rates (see **Figure 2.1**).

It should be emphasised, however, that not all comments over process and access were negative. For example, the rural focus, and the role of the LAG in approving projects were seen as positive:

*"The funding addresses the needs of local communities".*

*"Good to have local knowledge in the decision-making process – a lot of agencies don't understand rural needs"*

In addition, the role of the CCC EPT was particularly valued:

*'Fantastic support and guidance from my LEADER contact in Cockermouth [CCC EPT]'*

*'The localised decision making and support from a local team who understand the complexities of a rural environment.'*

*'Funding direct to rural projects & businesses managed by a team who understand this.'*

## **2.4 The LAG Executive**

The LAG Executive, and its LDS are central underpinning factors to the CLLD approach. The LAG Executive is intended to ensure that there is local guidance and direction over the funding process, and the LDS provides the evidence base that is rooted in local needs. The LEADER programme has historically been in the lead in CLLD approaches, to the extent that the approach is now being piloted in urban areas, using ERDF and ESF funds<sup>6</sup>.

The CFD area has benefited from LEADER funding for over 20 years, and a number of LAG Executive members have experience over different iterations of the programme. There is some difference in perception of the programme between long-serving and newer members. In general, the members with longer involvement perceive a diminution of the CLLD approach and consequent LAG engagement due to the introduction of a 'top down' approach directed by DEFRA/RPA, with views including:

*'This has not been a LEADER approach'*

*'[CFD LEADER] used to be a development programme – it isn't integrated now'*

*'Rubber stamping exercise'*

There is, however, consensus over the importance of the LAG Executive to the administration of the funding, with members considering that the range of experience and commitment of LAG members meant that there was good and full consideration over the proposals that it had to consider:

*'[An] involved LAG is very relevant'*

*'[The LAG] is really quite effective, with a good mix of people'*

*'[There is] always really good discussion'*

Despite perceived limitations, LEADER was seen as a '*good small grant fund*', and CCC EPT seen as '*good at getting money out*' to relevant applicants.

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<sup>6</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/705877/ESIF-GN-1-014\\_ERDF\\_and\\_ESF\\_Supplementary\\_Guidance\\_on\\_CLLD\\_v1.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/705877/ESIF-GN-1-014_ERDF_and_ESF_Supplementary_Guidance_on_CLLD_v1.pdf)

Looking to the future, LAG Executive members felt that:

- There was a role for a LAG Executive in directing any future rural funds;
- There was a case for maintaining a social investment role in this funding;
- Applications, especially for smaller amounts of investment, needed to be simplified;
- There is a need for better integration of the offer with other support, particularly that managed through the Cumbria Local Enterprise Partnership (CLEP).

## 2.5 The Local Development Strategy

Under the LEADER approach, the LDS is intended to underpin CLLD, targeting local needs under specific priorities. The priorities laid out in the original LDS, developed over a significant local consultation period, are summarised in **Figure 2.7** below.

**Figure 2.7: LDS Priorities**

Programme	Actions
<b>Programme 1: Growing Rural Entrepreneurship</b>	<ul style="list-style-type: none"> <li>a) Small and micro-enterprise grant scheme.</li> <li>b) Collaborative/co-operative approaches to business development.</li> <li>c) Integrated with business support available through districts, CLEP and other networks.</li> </ul>
<b>Programme 2: Growing specific rural sectors</b>	<ul style="list-style-type: none"> <li>a) Supporting farm businesses into profitability, improving value added, collaborative working, IT and technology use, working at a whole farm family level on maximising income, whole valley approach integration</li> <li>b) Supporting the local food chain</li> <li>c) Supporting the woodland industry supply and processing chain, integrating with the emerging Woodland Enterprise Zone of the ESIF</li> <li>d) Supporting high end development of accommodation and the provision of additional visitor experiences</li> <li>e) Support heritage sector in skill development, integrating green solutions and developing the cultural experience of locals and visitors</li> </ul>
<b>Programme 3: Growing Rural Resilience</b>	<ul style="list-style-type: none"> <li>a) Develop community enterprise to become more sustainable</li> <li>b) To enable communities to provide local services efficiently and sustainably</li> <li>c) To support essential local business that enables communities to retain and enhance their resilience</li> <li>d) To support communities of interest to promote their activity to members and the public and to co-operate to create new opportunities</li> </ul>

While the support offered through the delivery of the Programme broadly addressed these needs, the original intention of delivery was in a sense undermined by the subsequent Scheme Guidance issued by Defra, which limited the scope of support.

Gaps that developed because of this included:

- **Training:** under earlier LEADER programmes, Cumbria had delivered a significant level of training support to rural businesses. This was specifically excluded from the Programme, and while there was an intention to develop a national scheme, delivery on the ground did not happen;
- **Digital Economy:** This was again excluded, with the intention of national delivery;
- **Community Regeneration:** This was limited within the programme, with the primary focus being put on economic development;
- **Cooperation:** At an EU level, LEADER is used to transfer experiences across communities in member states to promote good practice. Again, this was excluded from the programme.

It should be noted that other parts of the UK, such as Scotland<sup>7</sup>, continue to maintain these priorities, notably cooperation and community regeneration, within their 2014-2020 LEADER programmes.

It is also significant that a number of LAG Executive members showed limited awareness of the LDS, with some, primarily those who had been involved in previous iterations, considering that centralist policies had made it an irrelevance, and others, primarily those that had only being involved in the current programme, being wholly unaware of its existence.

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<sup>7</sup> The evaluation team undertook a desk review of Scottish LEADER 2014-20 Programmes: Ayrshire; Cairngorms; Dumfries & Galloway; and Moray.



## Summary

The Programme was focused on 6 Themes: Farm Productivity; Small and Medium Enterprise (SME) Support; Tourism; Rural Services; Culture and Heritage; and Forestry productivity. SME support accounted for 49% of the projects and 54% of forecast grant investment, while Culture and Heritage was 2% and 2% respectively.

The average grant per project was £23,650, with farmers making up 44% of the beneficiaries.

## 3. Activities

### 3.1 Targeting

LEADER themes provide the structure around which programme investment is managed and allocated. Analysis of programme spend by LEADER theme shows that SME support accounts for both the largest number of projects (53) and total grant spend forecast (£1.38m), although it ranked 4<sup>th</sup> out of the 6 themes for average grant per project (£26,091). Rural services had the largest average grant per project, which is unsurprising given these projects focused on capital investment in the local service infrastructure.

**Figure 3.1: Investment by LEADER theme**

Priority	Theme	No. of projects		Total grant forecast		Av. Grant per project
		No.	%	£	%	
1	Farm productivity	32	30%	£259,848	10%	£8,120
2	SME Support	53	49%	£1,382,807	54%	£26,091
3	Tourism	15	14%	£575,161	23%	£38,344
4	Rural Services	3	3%	£214,419	8%	£71,473
5	Cultural and Heritage	2	2%	£62,654	2%	£31,327
6	Forestry Productivity	3	3%	£59,273	2%	£19,758
<b>Total</b>		<b>108</b>	<b>100%</b>	<b>£2,554,162</b>	<b>100%</b>	<b>£23,650</b>

It should be noted that the programme was successful in funding a greater number of projects relating to Forestry Productivity than are shown in the table above, as such projects were generally funded through the SME support priority theme due to constraints around eligible expenditure within the Forestry Productivity theme.

### 3.2 Project Type

The programme invested in a wide range of different interventions to support growth in the local economy. This included destination management investments to funding capital infrastructure improvements to accommodation upgrades and diversification.

Analysis of the distribution of grants by project types shows that SME development (supporting existing SMEs to grow) accounted for the largest number of supported projects and the largest proportion of the grant allocated, although this type of project had a lower than average grant per project, ranking 10<sup>th</sup> out of 13 different project types. By contrast the single capital infrastructure improvement project had the highest average grant (£125,009) by a significant amount, with the 3 basic services projects having the next highest average grant (£71,473).

**Figure 3.2: Investment by Project Type**

Project Type	No. of projects		Total grant forecast		Av. Grant per project
	No.	%	£	%	
SME development	44	41%	£1,022,040	40%	£23,228
Animal Health and Welfare	27	25%	£173,301	7%	£6,419
SME creation	9	8%	£360,767	14%	£40,085
Accommodation upgrades & Diversification	7	6%	£172,741	7%	£24,677
Basic services	3	3%	£214,419	8%	£71,473
Energy Efficiency	3	3%	£14,894	1%	£4,965
Forestry contractor	3	3%	£59,273	2%	£19,758
Trails, Walks & cycling trails	3	3%	£162,285	6%	£54,095
Visitor attractions	3	3%	£83,159	3%	£27,720
Cultural and Heritage	2	2%	£62,654	2%	£31,327
Processing and marketing	2	2%	£71,653	3%	£35,827
Capital Infrastructure improvements	1	1%	£125,009	5%	£125,009
Investment in new space / building upgrades	1	1%	£31,967	1%	£31,967
<b>Total</b>	<b>108</b>	<b>100%</b>	<b>£2,554,162</b>	<b>100%</b>	<b>£23,650</b>

### 3.3 Beneficiary Type

A wide range of different types of business or organisation were recipients of grant funding with farmers with livestock the most commonly supported type and others including horticultural businesses, forestry contractors, a brewery and a dairy co-operative. Clearly farming businesses accounted for a significant proportion of grant recipients with at least 47 of the 108 projects being farms of different types (44% of all projects).

**Figure 3.3: Investment by Business/Organisation Type**

Business Type	No. of projects		Total grant forecast		Av. Grant per project
	No.	%	£	%	
Farmer with livestock	41	38%	£631,755	25%	£15,409
Rural Business	22	20%	£484,103	19%	£22,005
Tourism operator	10	9%	£320,149	13%	£32,015
Rural community or third sector organisation	7	6%	£389,557	15%	£55,651
Food industry (inc abattoirs)	7	6%	£197,286	8%	£28,184
Non-agri rural business	5	5%	£209,731	8%	£41,946
Dairy farmer	2	2%	£17,032	1%	£8,516
Forestry Contractor	2	2%	£69,882	3%	£34,941
Horticultural business	2	2%	£49,386	2%	£24,693
Public sector organisation	2	2%	£58,221	2%	£29,110
Training provider	2	2%	£33,579	1%	£16,790
Farmer controlled business	2	2%	£13,128	1%	£6,564
Brewery	1	1%	£46,279	2%	£46,279
Contractor	1	1%	£7,153	0%	£7,153
Dairy co-operation	1	1%	£10,000	0%	£10,000
Mixed farming	1	1%	£16,920	1%	£16,920
<b>Total</b>	<b>108</b>	<b>100%</b>	<b>£2,554,162</b>	<b>100%</b>	<b>£23,650</b>

Micro businesses accounted for the vast majority of projects receiving funding (86%) which is unsurprising given the profile of businesses in the area, with micro businesses accounting for a similar proportion (86%) of the overall CFD business stock. Such businesses were key targets for LEADER support given their importance to the rural economy of the area and that they often miss out on other and often larger funding streams available to drive economic growth. Interestingly the average grant given to micro businesses was larger than that given to small and medium sized businesses. It should be noted that both medium sized business projects were with a single organisation.

**Figure 3.4: Investment by Business size**

Business Size	No. of projects		Total grant forecast		Av. Grant per project
	No.	%	£	%	
Micro	93	86%	£2,108,898	83%	£22,676
Small	13	12%	£387,043	15%	£29,773
Medium	2	2%	£58,221	2%	£29,110
<b>Total</b>	<b>108</b>	<b>100%</b>	<b>£2,554,162</b>	<b>100%</b>	<b>£23,650</b>

### 3.3 Geography

It is also important to consider the geographic distribution of funding allocated by the CFD LEADER programme as the area cuts across a number of districts and two National Parks (Lake District & Yorkshire Dales National Parks). Analysis of investment by district shows that the programme invested in projects in each of the five District Council areas solely or partly within CFD, with South Lakeland accounting for more than half of all funded projects and grants allocated. By contrast Barrow-in-Furness district had the lowest number of projects and investment, which is unsurprising given the comparably small eligible area within the district with Barrow central sitting outside of the LEADER programme area due to its urban classification

**Figure 3.5: Investment by District**

District	No. of projects		Total grant forecast		Av. Grant per project
	No.	%	£	%	
South Lakeland	57	53%	£1,463,631	57%	£25,678
Eden	32	30%	£768,719	30%	£24,022
Allerdale	9	8%	£147,317	6%	£16,369
Copeland	8	7%	£131,566	5%	£16,446
Barrow-in-Furness	2	2%	£42,928	2%	£21,464
<b>Total</b>	<b>108</b>	<b>100%</b>	<b>£2,554,162</b>	<b>100%</b>	<b>£23,650</b>

The relatively low number of projects within the Allerdale and Copeland districts are also related to eligibility with these two Districts split across the two Cumbria LEADER programmes; with the SBE programme funding a further 23 and 7 projects in these areas, respectively.

The programme also supported a number of projects across the National Park areas with 38% of all projects being based in one of the National Parks with these projects forecast to receive 35% of total grant funding.

**Figure 3.6: Investment within the National Parks**

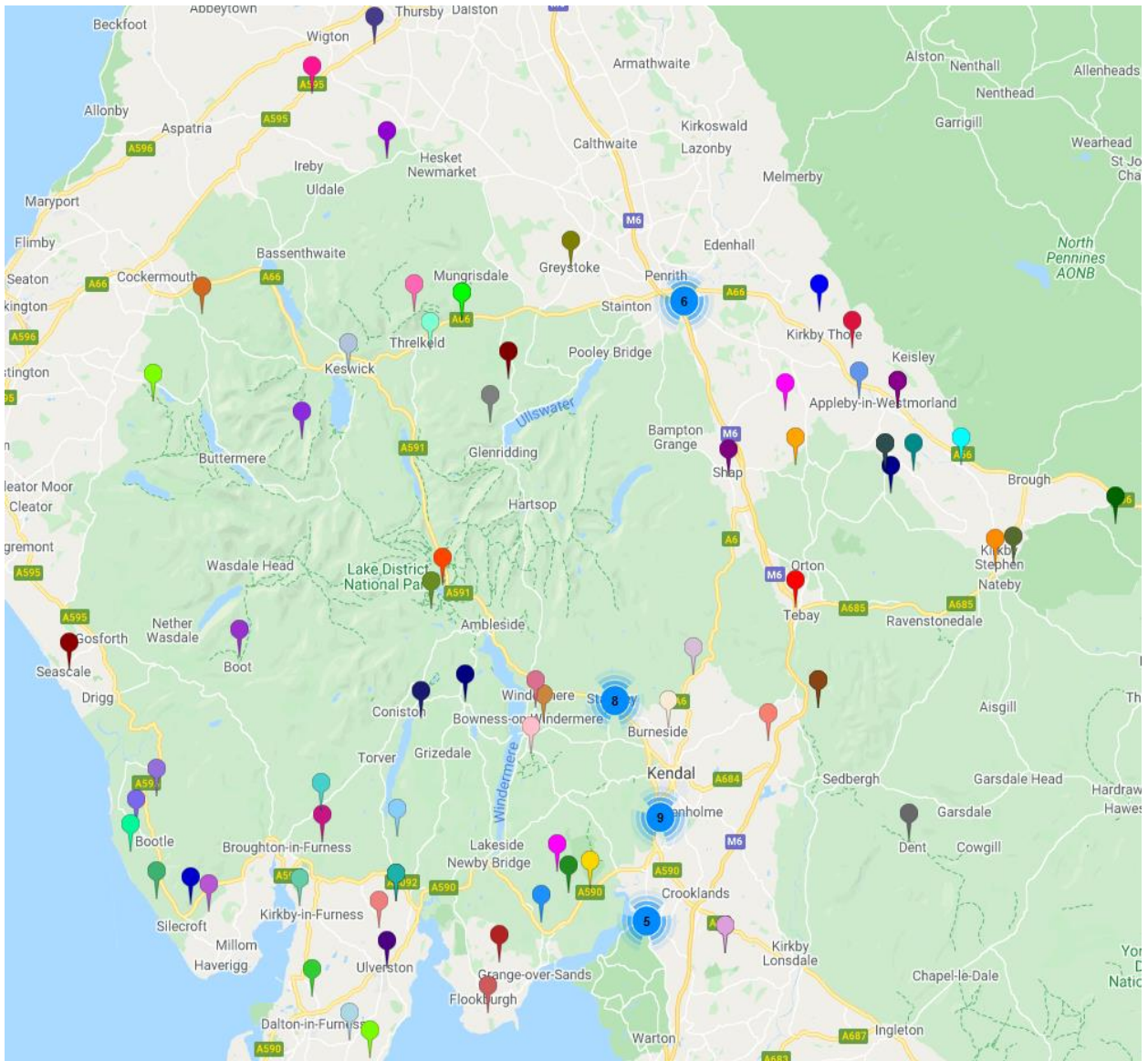
National Park	No. of projects		Total grant forecast		Av. Grant per project
	No.	%	£	%	
Lake District National Park	36	33%	£836,202	33%	£23,228
Yorkshire Dales National Park	5	5%	£48,169	2%	£9,634
<b>Total in National Parks</b>	<b>41</b>	<b>38%</b>	<b>£884,370</b>	<b>35%</b>	<b>£21,570</b>

Investment has also been analysed at the ward level, which revealed that the programme funded projects across 52 of 81 eligible wards, although the number of projects and level of investment in each ward differed significantly, ranging from:

- One ward having six funded projects with a total LEADER investment of £302,209 and an average grant of £50,368; to
- One ward with one funded project and a total LEADER investment of £2,677.

**Figure 3.7** shows the geographical allocation of grants, again showing a spread across the LAG area.

**Figure 3.7: Geographical Distribution of Projects**



## Summary

By August 2020, the Programme had supported 53 jobs, with a projection of a further 82 by 2023. The LEADER investment per job was £18,882, well within the National Benchmark of £30,000. The investment per job in SME support was £13,000, compared with £58,000 in farm productivity, a reflection of the fact that the aim of the latter investment was productivity, rather than employment, gains.

Further outputs include projected achievements of: 110 businesses benefiting; an overall increase of £2.9m in wages; 117,000 additional day visitors and 53,000 overnight visitors (although these have yet to be achieved, primarily due to the impact of Covid-19); and 48 new techniques.

## 4. Outputs and Outcomes

### 4.1 Reported Achievements

**Figure 4.1** below shows the reported outputs for funded activities, including both those reported up to August 2020 and those forecast but yet to be achieved. This shows that the programme has, and is forecast to have, a positive impact on the local rural economy and:

- The programme had achieved forecast targets for 3 out of ten output indicators by August 2020, with 1 forecast target almost achieved and two close to being achieved;
- A considerable amount of outputs are still to be achieved, particularly for those indicators related directly to business growth (jobs created and wage change) and tourism (additional day visitors and additional overnight visitors). Clearly the COVID-19 pandemic and subsequent measures to reduce transmission rates have and will, have a considerable impact on the ability of individual projects and the overall programme to achieve these forecast output targets within the contracted timescales. However, it should be noted that the project made strong progress towards its programme target for jobs created with 53.3 created against a target of 58. The contracted jobs target with the RPA was originally 105, although this was subsequently reduced to 58 within the programme's annual delivery plan following the release of the National Benchmark.

#### National Benchmark

During the Transition period and LDS preparation the different priorities had different benchmark values per FTE job created.

This was then revised to reflect a National Benchmark of £30,000 per full time equivalent (FTE) job. This essentially resulted in the cost per job doubling and output targets halving. Despite this the CFD programme has contracted to deliver its original output targets.

**Figure 4.1: Reported Outputs**

Outputs	Achieved to August 2020	To be achieved	Total Forecast	% of total forecast achieved by August 2020	Programme Target	% of Target achieved
New products	2	-	2	<b>100%</b>	-	-
Jobs (FTEs)	53.36	82	135.3	<b>39%</b>	58	<b>92%</b>
Wage Change	£610,154	£2,248,184	£2,858,337	<b>21%</b>	-	-
New techniques	47	1	48	<b>98%</b>	-	-
Businesses benefitting	92	18	110	<b>84%</b>	90	<b>102%</b>
Farm Productivity (ha)	132	-	132	<b>100%</b>	-	-
Additional day visitors	13,033	103,857	116,890	<b>11%</b>	-	-
Additional overnight visitors	5,330	47,178	52,508	<b>10%</b>	-	-
Tourism Population benefitting	74,962	12,660	87,622	<b>86%</b>	-	-
Rural Services - Population benefitting	80,718	-20,162	60,556	<b>133%</b>	-	-

Detailed analysis of programme data reveals that the distribution of a number of these outputs differs significantly across projects and geographies within the CFD area, while some are clearly aligned to specific sectors or a small number of projects. Consequently, subsequent sections of this Chapter of the report will consider a number of the core outputs in more detail.

## 4.2 Jobs Created

Although the programme is contracted to support the creation of 58 new jobs, funded projects forecast that they would create 135.3 FTE jobs in the local rural economy, with an initial output of 150 set out in the Local Development Strategy. To June 2020 the programme had achieved 53.4 new jobs created (39% of the forecast), with the economic impact of COVID-19 likely to have a significant impact on a number of the ability of a number of projects to achieve their forecast targets within the contracted timescales. Analysis of new jobs achieved and forecast to be achieved (prior to COVID-19) shows that projects funded under the SME Support theme account for the majority of jobs created (84%) and forecast (81%), while tourism accounts for the next highest proportions (12% and 14% respectively). Analysis of programme forecast spend as a whole suggests that LEADER grant investment per job forecast to be created is £18,882 which would fall well below the £30,000 target

set by the National Benchmark. Analysis by theme shows that only SME support achieves better value for money than the programme average in terms of forecast jobs created.

**Figure 4.2: Jobs by Investment Theme**

Theme	Achieved			To be achieved			Total			Forecast: LEADER investment per job	
	Total jobs	% of jobs	Av. Job per project	Total jobs	% of jobs	Av. Job per project	Total jobs	% of jobs	Av. Job per project		
1. Farm productivity	2.0	4%	0.1	2.5	3%	0.1	4.5	3%	↓	0.1	£57,744
1a. Improve the overall performance and sustainability of an agricultural holding and 1b. Support animal health and welfare improvements	1	2%	0.03	0	0%	0	1	1%	↓	0.03	£188,195
1c. Processing, marketing and/or development of agricultural products	1	2%	0.5	2.5	71%	1.25	3.5	3%	↑	1.8	£20,472
2. SME Support	44.8	84%	0.8	64.2	78%	1.2	108.9	81%	↑	2.1	£12,696
3. Tourism	6.6	12%	0.4	11.8	14%	0.8	18.5	14%	→	1.2	£31,174
4. Rural Services	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	↓	0.0	n/a
5. Cultural and Heritage	0.0	0%	0.0	2.0	2%	1.0	2.0	1%	→	1.0	£31,327
6. Forestry Productivity	0.0	0%	0.0	1.4	2%	0.5	1.4	1%	↓	0.5	£42,338
<b>Total</b>	<b>53.4</b>	<b>100%</b>	<b>0.5</b>	<b>81.9</b>	<b>100%</b>	<b>0.8</b>	<b>135.3</b>	<b>100%</b>	<b>→</b>	<b>1.3</b>	<b>£18,882</b>

Note: Colour coding in the 'total av. Job per project' column demonstrates were figures are in line with the programme average with an amber arrow; below the programme average with a red arrow and above the average with a green arrow. Colour coding for the 'LEADER investment per job' column shows the highest levels of investment required to create one job in red with the lowest level of investment required to create one job show in green.

It should be noted that job creativity in Theme 1 was only required as an output for projects funded under 1c (adding value) with the majority of projects funded under this theme not required, nor expected, to generate jobs; resulting in the high levels of investment per job shown above. The majority of the farm productivity projects related to animal health & welfare and involved the automation of functions through the purchasing of equipment to enable robotic milking, stock matting and oestrus detectors, which reduce the amount of manual labour required and as such do not directly create additional employment.



Analysis of jobs output data by project type (**Figure 4.3**), shows that:

- Investment in SME development and visitor attractions are the only types of project forecast to achieve better value for money (in terms of cost per job created) than the programme average, with these projects also accounting for 71% of all forecast jobs.
- Capital infrastructure improvements have achieved more jobs created per project (2.8 to date compared to 1.0 for the next highest project type) than any other project type and are forecast for this to increase further by programme end.

**Figure 4.3: Jobs by Project Type**

Project Type	Achieved			<i>To be achieved</i>			Total		LEADER investment per job	
	Total jobs	% of jobs	Av. Job per project	Total jobs	% of jobs	Av. Job per project	Total jobs	% of jobs		Av. Job per project
Accommodation upgrades & Diversification	2.0	4%	0.3	5.1	6%	0.7	7.0	5%	1.0	£24,642
Animal Health and	1.0	2%	0.0	0.0	0%	0.0	1.0	1%	0.0	£173,301
Basic services	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	n/a
Capital Infrastructure improvements	2.8	5%	2.8	1.5	2%	1.5	4.3	3%	4.3	£28,870
Cultural and Heritage	0.0	0%	0.0	2.0	2%	1.0	2.0	1%	1.0	£31,327
Energy Efficiency	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	n/a
Forestry contractor	0.0	0%	0.0	1.4	2%	0.5	1.4	1%	0.5	£42,338
Investment in new space / building upgrades	0.0	0%	0.0	1.3	2%	1.3	1.3	1%	1.3	£24,590
Processing and marketing	1.0	2%	0.5	2.5	3%	1.3	3.5	3%	1.8	£20,472
SME creation	9.3	17%	1.0	7.0	9%	0.8	16.3	12%	1.8	£22,133
SME development	35.5	66%	0.8	57.2	70%	1.3	92.6	68%	2.1	£11,035
Trails, Walks & cycling	0.9	2%	0.3	0.5	1%	0.2	1.4	1%	0.5	£120,211
Visitor attractions	1.0	2%	0.3	3.5	4%	1.2	4.5	3%	1.5	£18,645
<b>Total</b>	<b>53.4</b>	<b>100%</b>	<b>0.5</b>	<b>81.9</b>	<b>100%</b>	<b>0.8</b>	<b>135.3</b>	<b>100%</b>	<b>1.3</b>	<b>£18,882</b>

Note: Colour coding in the 'total av. Job per project' column demonstrates were figures are in line with the programme average with an amber arrow; below the programme average with a red arrow and above the average with a green arrow. Colour coding for the 'LEADER investment per job' column shows the highest levels of investment required to create one job in red with the lowest level of investment required to create one job show in green.

Analysis by business type (**Figure 4.4**) shows the kinds of investments that are not forecast to create any jobs. In the majority of instances these are small numbers of projects that are focussed on enhancing business processes to increase productivity and revenue streams or are focused on delivering services to rural communities. The data also shows that numerous non-farming business types are forecast to create more jobs per project than different types of farming businesses, something which is unsurprising given the scale and nature of farms within CFD area.

**Figure 4.4: Jobs by Business Type**

Business Type	Total jobs achieved	Total jobs Forecast	% of jobs forecast	Total Forecast		
				Av. Forecast jobs per project	LEADER investment per job	
Brewery	0.0	3.0	2%	●	3.0	n/a
Contractor	0.0	0.3	0%	●	0.3	£28,611
Dairy co-operation	0.0	0.0	0%	●	0.0	n/a
Dairy farmer	0.0	0.0	0%	●	0.0	n/a
Farmer controlled business	0.0	0.7	1%	●	0.4	£18,754
Farmer with livestock	10.2	18.8	14%	●	0.5	£33,604
Food industry (inc abattoirs)	10.2	13.5	10%	●	1.9	£14,614
Forestry Contractor	0.0	1.9	1%	●	1.0	£36,780
Horticultural business	2.8	4.0	3%	●	2.0	£12,347
Mixed farming	0.0	0.8	1%	●	0.8	£22,560
Non-agri rural business	0.0	40.3	30%	●	8.1	£5,204
Public sector organisation	0.0	0.0	0%	●	0.0	n/a
Rural Business	14.4	32.8	24%	●	1.5	£14,773
Rural community or third sector organisation	0.9	3.4	2%	●	0.5	£116,286
Tourism operator	5.5	14.5	11%	●	1.5	£22,064
Training provider	9.5	1.4	1%	●	0.7	£23,319
<b>Total</b>	<b>53.4</b>	<b>135.3</b>	<b>100%</b>	●	<b>1.3</b>	<b>£18,882</b>

Note: Colour coding in the 'total av. Job per project' column demonstrates were figures are in line with the programme average with an amber arrow; below the programme average with a red arrow and above the average with a green arrow. Colour coding for the 'LEADER investment per job' column shows the highest levels of investment required to create one job in red with the lowest level of investment required to create one job show in green.

Further breakdowns of jobs by business size and geography show that:

- Forecast jobs created show good value for money for LEADER investment in micro (£18,594 per job created) and small businesses (£17,714) with no job creation forecast in medium size businesses supported;
- A range of 0.5 to 1.4 jobs forecast per project across the five different district & borough council areas and a range of £17,895 to £42,928 of LEADER investment per forecast job created;
- Of the 52 wards with a LEADER funded project, 14 have not or are forecast not to create any jobs. In those wards that have had jobs created or are forecast to do so, the forecast number of jobs created ranges from 0.3 to 16.3 while the forecast number of jobs per project ranges from 0.1 to 4.3.

### **4.3 Wage Change**

Analysis of wage change data by theme shows that projects funded under the SME Support service account for the vast majority of actual wage change achieved (91%) and total forecast wage change (77%). Although this is the largest theme in terms of the number of projects supported (51% of all projects) and the forecast amount of grant funding (54% of total grant forecast) the proportion of wage change in this theme is disproportionate when compared to other themes. As a consequence, this theme has the best return on investment in terms of wage change with £1 of wage change forecast for every £0.91 of LEADER grant invested in projects under this theme.

**Figure 4.5: Wage Change by Theme**

Theme	Achieved			<i>To be achieved</i>			Total			LEADER investment per £ of wage increase	
	Total wage change	% of total wage change	Av. Wage change per project	Total wage change	% of total wage change	Av. Wage change per project	Total wage change	% of wage change	Av. Wage change per project		
1. Farm productivity	£12,000	2%	£375	£59,720	4%	£1,866	<b>£71,720</b>	4%	↓	£2,241	£3.62
2. SME Support	£553,373	91%	£11,067	£951,531	71%	£19,031	<b>£1,504,904</b>	77%	↑	£30,098	£0.91
3. Tourism	£44,781	7%	£2,985	£259,158	19%	£17,277	<b>£303,939</b>	16%	↑	£20,263	£1.89
4. Rural Services	£0	0%	£0	0	0%	£0	<b>£0</b>	0%	↓	£0	n/a
5. Cultural and Heritage	£0	0%	£0	£38,633	3%	£19,317	<b>£38,633</b>	2%	→	£19,317	£1.62
6. Forestry Productivity	£0	0%	£0	£23,945	2%	£7,982	<b>£23,945</b>	1%	↓	£7,982	£2.48
<b>Total</b>	<b>£610,154</b>	<b>100%</b>	<b>£5,811</b>	<b>£1,332,988</b>	<b>100%</b>	<b>£12,695</b>	<b>£1,943,141</b>	<b>100%</b>	→	<b>£18,506</b>	<b>£1.31</b>

Note: Colour coding in the 'av. Wage change per project' column demonstrates were figures are in line with the programme average with an amber arrow; below the programme average with a red arrow and above the average with a green arrow. Colour coding for the 'LEADER investment per job' column shows the highest levels of investment required to create one job in red with the lowest level of investment required to create one job show in green.

**Figure 4.6** shows that levels of LEADER investment per £ of wage increase are particularly high for animal health and welfare projects funded by the programme, while SME development projects require the lowest amount of LEADER investment. As highlighted earlier, animal health and welfare projects funded by the programme result in reduced labour due to them largely resulting in the automation of functions and as such direct wage increases are highly unlikely. Further data showing wage change across different geographies and types of business are provided in the appendices of this report.

**Figure 4.6: Wage Change by Project Type**

Project Type	Achieved			To be achieved			Total			LEADER investment per £ of wage increase
	Total wage change	% of total wage change	Av. Wage change per	Total wage change	% of total wage change	Av. Wage change per project	Total wage change	% of wage change	Av. Wage change per project	
Accommodation upgrades & Diversification	£15,404	3%	£2,201	£67,329	5%	£9,618	<b>£82,733</b>	4%	↓ £11,819	£2.1
Animal Health and Welfare	£12,000	2%	£444	£0	0%	£0	<b>£12,000</b>	1%	↓ £444	£14.4
Basic services	£0	0%	£0	£0	0%	£0	<b>£0</b>	0%	↓ £0	n/a
Capital Infrastructure	£0	0%	£0	£61,188	5%	£61,188	<b>£61,188</b>	3%	↑ £61,188	£2.0
Cultural and Heritage	£0	0%	£0	£38,633	3%	£19,317	<b>£38,633</b>	2%	↑ £19,317	£1.6
Energy Efficiency	£0	0%	£0	£0	0%	£0	<b>£0</b>	0%	↓ £0	n/a
Forestry contractor	£0	0%	£0	£23,945	2%	£7,982	<b>£23,945</b>	1%	↓ £7,982	£2.5
Investment in new space / building upgrades	£0	0%	£0	£19,038	1%	£19,038	<b>£19,038</b>	1%	↑ £19,038	£1.7
Processing and marketing	£0	0%	£0	£59,720	4%	£29,860	<b>£59,720</b>	3%	↑ £29,860	£1.2
SME creation	£15,310	3%	£1,701	£229,320	17%	£25,480	<b>£244,630</b>	13%	↑ £27,181	£1.5
SME development	£538,063	88%	£13,123	£722,211	54%	£17,615	<b>£1,260,274</b>	65%	↑ £30,738	£0.8
Trails, Walks & cycling trails	£17,131	3%	£5,710	£59,377	4%	£19,792	<b>£76,508</b>	4%	↑ £25,503	£2.1
Visitor attractions	£12,246	2%	£4,082	£52,226	4%	£17,409	<b>£64,472</b>	3%	↑ £21,491	£1.3
<b>Total</b>	<b>£610,154</b>	<b>100%</b>	<b>£5,811</b>	<b>£1,332,988</b>	<b>100%</b>	<b>£12,695</b>	<b>£1,943,141</b>	<b>100%</b>	→ <b>£18,506</b>	<b>£1.3</b>

Note: Colour coding in the 'av. Wage change per project' column demonstrates were figures are in line with the programme average with an amber arrow; below the programme average with a red arrow and above the average with a green arrow. Colour coding for the 'LEADER investment per job' column shows the highest levels of investment required to create one job in red with the lowest level of investment required to create one job show in green.

### 4.3 New Techniques and Farm Productivity

41 of the 47 new technique outputs achieved by the project were for farming productivity projects with 3 others in forestry productivity projects and 3 in SME Support projects. Funding which resulted in the introduction of new techniques was particularly focussed on farms with livestock with 26 such business recipients of LEADER funding and responsible for 38 of the new techniques outputs (equivalent to 81% of total outputs).

Given the role of farm productivity projects in generating a significant proportion of new technique outputs achieved by the programme, it is important to understand the equipment purchased through these projects. **Figure 4.7** below provides this breakdown and shows that livestock related equipment accounted for the majority of investment through this LEADER programme theme.

**Figure 4.7: Farm Productivity – Equipment Purchased**

Equipment purchased	No. of projects	% of projects
Livestock monitoring system	7	27%
Cattle handling system	5	19%
Sheep handling system	5	19%
LED lights (livestock housing)	3	12%
Controlled atmosphere storage	2	8%
Heat exchanger, Sheep handling system	1	4%
LED lights (livestock housing), Cattle handling system	1	4%
Livestock monitoring system, Sheep handling system	1	4%
Slurry application system, Cattle handling system	1	4%
<b>Total</b>	<b>26</b>	<b>100%</b>

### 4.5 Tourism

Achieved outputs for the 'population benefitting from improved tourism infrastructure' were delivered across three projects with a trails, walks and cycling project registered as benefitting 31,210 people, a visitor attraction project registered as benefitting 42,000 people and an SME development project benefitting 1,572 people.

#### 4.5.1 Additional Day Visitors

**Figure 4.8** below shows that additional visitor days were forecast to be generated through investments in a number of different themes, illustrating the degree to which the programme and LAG have used a range of approaches and methods to fund projects which contribute to the tourism offer within the CFD area.

**Figure 4.8: Additional Day Visitors by Theme**

Theme	Achieved		To be achieved		Total	
	Total visitor days	% of total	Total visitor days	% of total wage change	Total visitor days	% of total wage change
Cultural and Heritage	0	0%	4500	5%	4500	5%
Farm productivity	0	0%	0	0%	0	0%
Forestry Productivity	0	0%	0	0%	0	0%
Rural Services	0	0%	22500	24%	22500	24%
SME Support	0	0%	51461	55%	51461	54%
Tourism	1303	100%	15396	16%	16699	18%
<b>Total</b>	<b>1303</b>	<b>100%</b>	<b>93857</b>	<b>100%</b>	<b>95160</b>	<b>100%</b>

However, COVID-19 and the subsequent public health response to the pandemic has had a substantial impact on project's ability to deliver their forecast outputs in this area, with travel, contact and trade restricted between March and July 2020. Consequently as of August 2020 only 1% of the total forecast target for additional day visitors had been achieved and given the significant change in economic circumstances since project output forecasts were formulated; it is almost certainly the case that forecast output figures for tourism will not be achieved by programme end as due to trading restrictions.

Further analysis emphasises the importance of the programme for investment in the National Parks within CFD, with two thirds of all forecast additional visitor days within the Lake District or Yorkshire Dales National Parks.

#### 4.5.2 Additional Overnight Stays

Analysis of the distribution of achieved, to be achieved and forecast final additional overnight stays data shows that projects funded under the SME Support theme have made a similar contribution to this output as those funded under the tourism theme and are forecast to make a larger contribution. Farm diversification activities are contributing to increased overnight stays achieved and to be achieved with farmers with livestock accounting for 47% and 74% of these respectively. This demonstrates the positive work the programme has done in assisting farming businesses to move into or extend their tourism accommodation activities.

## Summary

Taking into account the additionality of Programme investment, and local multiplier effects, the wider economic impact is projected to be:

- 112 full-time equivalent jobs;
- An increase of £20.6m in turnover; and
- A contribution to GVA of £7.0m

In addition, there is an annual contribution to social value of c.£0.72m

## 5. Impact

### 5.1 Additionality

Clearly, the outcomes for beneficiaries discussed in the earlier sections of this report are reported in gross terms, not taking into account the extent to which the outcomes and impacts are directly attributable to the LEADER intervention.

**Figure 5.1** shows a range of ways in which support impacted on respondents to the survey.

**Figure 5.1: Additionality**

What difference did the LEADER grant that you received make to your business/organisation?	No. of businesses	% of businesses
Expanded our marketplace	1	2%
Safeguarded existing jobs	1	2%
Improved quality of activities/products	1	2%
Improved animal health and welfare	1	2%
Took on new employees	3	7%
Brought forward planned activities	4	10%
Would not be trading otherwise	6	14%
Enabled new products/services	6	14%
Supported growth of existing activities	8	19%
Improved the efficiency and viability of the business/organisation	11	26%
<b>Total businesses answering</b>	<b>42</b>	<b>100%</b>

Many of the respondents highlighted the additionality of the funding, with 14% suggesting their business growth project could not have gone forward without LEADER funding. For example:

*'It gives us the opportunity to expand business in a time frame not achievable solely by self-funding.'*

*'It helped with speeding up productivity.'*



*'allowed us to carry out our project which without funding would not have gone ahead.'*

*'quite possible that we could not have achieved this elsewhere.'*

On the assumption that this sample is representative of the population as a whole, this suggests that the additionality attributable to LEADER support is medium, with an additionality factor of **60%** across the programme. This means that half of the impacts recorded in the programme are attributable to the LEADER intervention. Clearly, this varies from project to project, as the two case studies show, with attribution in some cases being 10% and in others 100%, with all changes being attributable to support – 14% of cases fall under this heading.

Other points that were considered are:

- **Leakage:** the programme is directly targeted on rural needs in Cumbria. It is therefore the case that there is no leakage of impact;
- **Displacement:** there is no evidence of significant displacement effects, as the majority of beneficiaries are small businesses operating in local marketplaces. Where
- **Substitution:** there is no evidence of LEADER support forcing out other investment.

The impacts are therefore assumed to accrue to the intervention at the 60% level.

## 5.2 Economic Impact

Based on the sample within those responding to the questionnaire who provided financial data<sup>8</sup> **Figure 5.2** shows the median level of GVA, turnover and jobs within a beneficiary business<sup>9</sup>.

**Figure 5.2: Median Economic Shifts Across Businesses**

Measure	2017	2018	2019	2020
<b>GVA</b>	£26,296	£30,553	£40,500	£59,000
<b>Turnover</b>	£96,328	£115,910	£173,750	£205,000
<b>Jobs (FTEs)</b>	1.5	2.0	2.0	2.0

On the assumption that this is representative of the population as a whole, participant firms saw the increases shown in **Figure 5.3** over the period to 2020.

<sup>8</sup> 16 cases, representing 16% of all beneficiaries.

<sup>9</sup> This both includes voluntary organisations where there is no GVA, and one larger outlier firm.

**Figure 5.3: Gross Impact to 2020**

Measure	Increase per firm	Gross increases in participants	Attributable to LEADER intervention
<b>GVA</b>	£32,704	£3,303,104	£1,981,866
<b>Turnover</b>	£108,672	£10,975,872	£6,585,523
<b>Jobs (FTEs)</b>	0.5	50.5	30.3

However, it is anticipated that further benefits will accrue<sup>10</sup>, with, for example, a further 48 jobs to be created (see **Figure 4.3**). On the assumption that these jobs will generate turnover and GVA increases in proportion to those shown in **Figure 5.3**, and that the benefits are attributable to LEADER at 60%, the anticipated benefits are shown in **Figure 5.4** below.

**Figure 5.4: Anticipated Benefits**

Measure	Anticipated Benefits
<b>GVA</b>	£3,865,613
<b>Turnover</b>	£12,845,030
<b>Jobs (FTEs)</b>	59.1

In addition to these benefits, it is assumed that there are multiplier effects in the wider economy, comprising:

- **Indirect** benefits through supply chains; and
- **Induced** benefits through spend in the wider economy.

These can be estimated through the application of input-output multipliers<sup>11</sup>, resulting in the net additional economic impact by 2023 shown below.

**Figure 5.5: Net Additional Impact to 2023**

Measure	Impact
<b>GVA</b>	£6,958,103
<b>Turnover</b>	£20,552,049
<b>Jobs (FTEs)</b>	112.3

## 5.4. Social Value

### 5.4.1 Volunteering

While the volunteering contribution is important in community led projects, it is also important to take into account the value of volunteering by LAG Executive members. Over the period to June 2020:

- 17 LAG meetings were held;
- 2 virtual meetings; and
- 12 written procedures.

<sup>10</sup> Subject to Coronavirus impact

<sup>11</sup> In this case, the Scottish Government Type II multipliers for Farming and Accommodation are being used as a proxy <https://www2.gov.scot/Topics/Statistics/Browse/Economy/Input-Output/Downloads/IO1998-2016Latest>

Allowing for preparation time, and that not all LAG Executive members would attend every meeting, it is estimated that this required c.770 hours of input. Using the National Lottery Heritage Fund figures<sup>12</sup> at the higher (expert) level, this produces a proxy value of **£33,010** for this input, equivalent to 0.13 FTEs<sup>13</sup>

In addition, the programme attracts a significant level of volunteering input in projects, with, for example, the value of volunteering in Shap CIO alone being c.£55,000.

#### 5.4.2 Wellbeing Benefits

There are additional wellbeing benefits<sup>14</sup> that arise from projects, specifically the rural services projects that have been supported, comprising:

- Cartmel Township Initiative Delivery Group – Creating a footbridge and related works;
- Shap Community CIO - Improved accessibility to Old Courthouse (see case study at the end of this report);
- Greystoke Pool - Cafe and Changing Rooms Improvements;
- Conservation and Presentation of Eskdale Corn Mill - restoring a historical building in collaboration with National Heritage Lottery Funds; and
- The Drawing Office in Ambleside - creating a local museum through the development of a historical building.

Shap Community CIO is covered in the short case study at the end of this report, and it contributes significant volunteering and wellbeing benefits through the creation of social capital.

Overall, the rural services projects are estimated to contribute **£692,683** social value, on the basis that every £1 of LEADER grant generated a further £2.50 of social value.

The wider social value associated with the Programme is more restricted than that recorded in the evaluation of the 2007-2013 Programme, reflecting the types of projects that have been able to be supported within the more restrictive programme guidance, with fewer community services supported, and a more active economic development focus.

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<sup>12</sup> <https://www.heritagefund.org.uk/discussions/how-calculate-volunteer-time>

<sup>13</sup> On the basis that an FTE is a 10-year job

<sup>14</sup> <https://www.kingsfund.org.uk/projects/improving-publics-health/strong-communities-wellbeing-and-resilience>

## Summary

Learning from the evaluation covered:

- The future impact of Covid-19;
- Impact of political externalities, including Brexit and the multiple Pre-election Period Restrictions;
- The complexity of the processes involved;
- Role of the LAG Executive;
- Constraints placed on the Managing Authority;
- Economic focus of the programme;
- Future implications for rural grant support.

## 6. Lessons Learned

### 6.1 Covid-19

Sadly, coronavirus has impacted on the outcomes of the programme, with the majority of beneficiaries reporting constraints introduced by the lockdown. This was not restricted to tourism and hospitality businesses, but impacted across all sectors, with, for example, dairy farmers reporting a 3% reduction in milk prices. Only those businesses with a significant online sales presence experienced any benefit, with an increase in internet sales.

It is too early to say what the medium to longer term impacts will be, although some beneficiaries have postponed renewed activities to Spring 2021, and many are experiencing significant cashflow issues. Continuing uncertainties over restrictions going forward will add to these problems.

Additional telephone interviews with beneficiaries were undertaken after lockdown, to focus on the impact of the pandemic. Comments included:

#### Farming

*'There has been drop in milk prices due to the closure of restaurants, however, deliveries and collections have not been effected. Although there is a shortage of milk at retail outlets it is not possible to repackage/re-route milk for this purpose.'*

*'Having to ride out price falls which I hope will be reinstated and that the public will tolerate prices that are viable for us farmers.'*

*'Farming industry fearful of a second spike shutdown.'*

*'There has been a major loss of earnings because of the reduction in livestock sales. This will be re-established at some unknown time in the future. In the meantime the farm is suffering cash flow problems'*

#### Tourism

*'It will be more problematic with the creative courses – will need to go back to the start and lose the previous impetus – many of our clients are elderly and therefore*

*vulnerable. Advertising will have to start again – from the beginning. Use of Tutors has been discontinued.'*

*'Once allowed out from lockdown think [we] will be very popular – in the middle of nowhere and self-contained – particularly in the absence of foreign travel. Already busy taking potential bookings.'*

*'Hoping that coronavirus will just postpone getting back to normal - offer in 2019 was well received, but lost impetus in carrying through into 2020. Will re-erect Tipis for Easter 2021.'*

*'All closed – have a cashflow problem – loss of £20k pa in visitor income but have reserves.'*

## **Infrastructure**

*'No knowledge of when [the work] will be completed as not clear when lockdown will change for this size of operation. Once released will take 3 weeks to transport and install.'*

*'Major delay with both materials and skilled labour. I've now got some of the materials and trying to help along construction single-handed but not able to do skilled work. No timescale yet available for trades as now very busy because of lockdown.'*

*'Not opening until 2021. We are concerned that we are at the back of the queue for construction companies. We have a large cash flow problem and are seeking the assistance of the banks.'*

## **General**

*'Major issue is the emergency bank loan holiday for the 6-month interruption in repayments. This is proving very costly in the long run.'*

*'Ongoing lack of business and major cash flow problem – also some loss to local businesses we support.'*

*'Cushion for the winter has now been lost with two thirds of takings for the year usually occurring in April, May and June. Mail order thriving and has seen a huge increase and this may bode well for the future.'*

## **6.2 Political Externalities**

The delivery of the programme was also disrupted by political externalities, with the imposition of pre-election period restrictions interrupting the grant application process for a number of periods over the Programme, and also having implications for engagement and impact. This restricted activities for over 6 months of the programme.

Together with the uncertainties created by Brexit, this created a difficult environment for Programme delivery, although Programme spend was successfully achieved.

## 6.3 Processes

### 6.3.1 Application

The application process, dictated by RPA/Defra, is relatively complex, with applicants presented with a significant amount of guidance and documentation to work through as well as having to provide extensive evidence in support of their application through a two-stage process. While the allocation of public funds requires the use of robust systems, the complexity of the application process has required many applicants to seek external support during the application process, with the CCC EPT playing an important role.

Indeed, when asked to describe the application process one applicant consulted by the evaluation team stated that:

*"When people ask, I say it was a torturous process"*

In addition, of programme data shows that 179 applicants in CFD withdrew their outline application while a further 20 withdrew their full application. While there is limited specific data available on the reasons behind each of these withdrawals (see **Section 2.1** above), consultation suggests that the complexity of the application process was responsible for a relatively significant number of these, although match funding was also a factor.

Of the 42 successful applicants to the CFD programme who completed the evaluation survey, all made use of some form of external support with 31 (75%) using support from CCC EPT, with the remainder accessing additional support from an agent.

Applicants consulted by the evaluation team were also asked how useful they found the application support they received from the CCC EPT or the Agent. Responses suggest that the support given by CCC EPT was of a higher quality and more value than that provided by Agents with average scores of 85% and 68% respectively. CCC EPT staff consulted by the evaluation team also highlighted the mixed quality of some of the Outline Applications and Full Applications completed by some Agents, with some providing high quality support, and others more limited. This may suggest the need to offer guidance to applicants around the use of external support in any future programme.

Many of the successful applicants consulted in CFD therefore spoke very highly of the support provided by CCC EPT through the application process:

*'The team at Cumbria County Council [EPT] were very helpful and supportive throughout the whole process. The application process is very robust, as you would expect for the allocation of public money, but the team helped to alleviate this with their advice, assistance and encouragement.'*

*'I felt that those giving support from LEADER itself and Cumbria CC [EPT] were excellent and had unending patience.'*

*'Very helpful team at the County Council [EPT], they cannot be faulted. Helped in the application and grant claim stage...Notwithstanding the challenges of the LEADER bureaucracy.'*

*'[EPT] made the whole process easier and enjoyable by giving us exemplary help and support at every step of the process...was an excellent communicator...explained the process clearly and worked very hard to keep us progressing to meet all deadlines. The whole process would not have been possible without their help.'*

*'CCC [EPT] has been an amazing organisation – it has provided huge opportunities for many local businesses. It has been hugely supportive and inspiring.'*

*'Officers at the County Council [EPT] who dealt with the Leader Grant did an amazing job of navigating through the rules and regulations.'*

**This highlights the importance of animation and development support being an integral part of the programme for applicants and the importance of such support to the successful of grant funding programmes such as this.**

### 6.3.2 Proportionality

Closely aligned to the above theme is that of proportionality. Through this programme the same application process had to be undertaken regardless of the level of grant sought, meaning that the applicant who secured the smallest grant in CFD (£2,452) went through the same application process and followed the same guidance as the organisation that secured the largest grant (£175,982). While there is a clear need for robust processes these should be proportional to the level of grant sought, as this will present a significant disincentive to applicants seeking lower level grants. Indeed, one successful applicant consulted by the evaluation team was keen to stress the implications of the approach within the current programme:

*'the time invested in securing the funding is only slightly below the value earned from the grant...for a small project I don't think it's worth the time and effort.'*

This issue was also acknowledged by other successful applicants consulted:

*'I would always caution people that there is an expense involved and had the value of my grant been lower, I would have debated whether the process was worth the time and effort, including the business adviser costs. I genuinely think the process needs re-evaluation.'*

*'the process was not easy at all. At times we thought... was it worth it regarding the man hours we had to put into it?'*

Collectively these examples highlight the need for such funding to have application processes that are proportional to the level of resources being sought, something which is standard within public procurement practice.

**Any future small grant provision will therefore have to give due regard to proportionality of input to support.**

### 6.3.3 Procurement

While it is essential that value for money is a primary consideration in the use of such grant funding the procurement requirements embedded within the application and claims process created a considerable administrative burden on applicants, and CCC EPT staff responsible for application appraisals and quality assurance. In particular the requirement to have 3 quotes for any planned expenditure at the application phase created a number of challenges, with one example highlighted by a successful applicant consulted by the evaluation team:

*'Getting people to conform to a way of reporting is not the right way to go about this. In my instance the equipment I wanted was specialist and the buying decision was related to a specific machine, yet I still had to go through trying to find 'similar' quotes (which weren't that similar as each piece of equipment was slightly specialist in a different way). The purchasing choice was based on a sound rationale and yet this wasn't recognised properly and I had to approach other businesses for a 'false' quote, knowing the purchase was never going to happen.'*<sup>15</sup>

Consultations with members of the CCC EPT also highlighted the challenges associated with procurement with local suppliers increasingly becoming aware of the process and a number becoming reluctant to provide quotes as a result:

*'local suppliers got wise to the fact that people needed 3 quotes for their applications and they don't want to make the effort of pulling one together when they may not get the work.'*

A number of successful applicants in CFD also highlighted the procurement related regulations as a considerable challenge:

*'Torturous application process requiring 3 quotes for pretty much everything, which took a lot of time as it's never that simple.'*

*'Considerable form filling and evidence gathering especially the number of quotes from specified sources.'*

Again, while the approach works in principle its practical applications had added a layer of complexity and an administrative burden which in many cases is not proportional to the level of spend, especially since the procurement process had to be checked in all cases. The checking of each individual quote during the Eligibility and Completeness Review (ECR) process increased the administrative burden for the CCC EPT, whilst the quotes checklist had some merit for quotes that were unusual, or not obviously verifiable but significant time was lost with staff undertaking checks repeatedly on large companies such as B & Q and Amazon. **These examples further highlight the potential need for more streamlined processes within any successor project.**

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<sup>15</sup> Due process was followed, the applicant was asked to provide 3 quotes in line with guidance.



#### 6.3.4 Match Funding

CCC EPT staff suggest that a number of applicants had difficulties securing the match funding necessary to deliver their project. Analysis of the data provided to the evaluation team shows that a total of 20 Full Applications were withdrawn by the applicant within CFD. While it is not possible to state how many of these were due to match funding issues, anecdotal evidence from CCC EPT suggests that this was a major factor in a significant number of cases. It has been suggested that around three quarters of applicants used loans as match funding for their project and stakeholders highlighted the increasing difficulties rural businesses have in obtaining bank loans:

*'I'm aware of a number of projects which fell away due to people having their loan offers withdrawn and not being able to source the match funding elsewhere...'*

This is seen to represent a significant shift from earlier programmes and could be due to the increasing lack of close working relationships between rural businesses and their bank due to the impact of local bank closures and resultant limitations on contact with rural communities. This is something which may present an ongoing challenge for any future programme.

Related to this, analysis of project data provided to the evaluation team suggest that only 2% of the full applications submitted to CFD were rejected. It is consequently questionable just how 'competitive' the application process was, as if something was deemed eligible it generally got funded.

**However, it should be noted that because of the earlier Outline Application Process the eligibility of projects were sifted at this earlier stage reducing the number of projects that were rejected at Full Application Stage on eligibility grounds.** The CCC EPT were keen to prevent applicants undertaking additional work to proceed to Full Application stage if their project was deemed to be ineligible. This is in contrast to the high number of withdrawn applications.

#### 6.4 Role of LAG Executive

Despite the fact that the LAG Executive is perceived to have lost influence from earlier iterations of the Programme, both LAG Executive members and beneficiaries considered it to be important that people with local and sectoral knowledge were able to review and give advice on applications for support. A number of LAG Executive members felt that this role should be enhanced.

The constraints on what could be funded under the current programme were seen to have a significant impact on the CFD LAG Executive and LDS, which was prepared before RPA/Defra limitations on funding became known. In particular, CCC EPT staff collectively highlighted this shift as restricting the role of the LAG Executive and the LDS in determining the allocation of funding in CFD, with comments including:

*'[RPA] were overly prescriptive about what could and couldn't be funded removing local discretion and a lot of local agency from the programme.'*

*'now a national level programme with restrictions imposed on eligible activity greatly disempowering the LAGs...essentially once they see it, they know a decision has already been made.'*

Stakeholders with knowledge of earlier LEADER programmes are in agreement that the role of the LAG Executive has been diminished within the current programme and as a consequence the transition to a 'new' kind of LEADER programme created some challenges within CFD with some LAG Executive members initially resistant to the changes required.

Other LEADER groups confirmed the opinion that local determination was missing, even though it was thought essential given the diversity of different rural communities and areas. The clear shared opinion was that there should be a rural and local element within future funding.

Moving forward this could have ongoing implications for potential successor programmes, should they seek to incorporate such participative elements of the CLLD/LEADER model.

*"unsure how many past or potential members would re-engage with any future programme like this one, [they've been] disempowered through this process"*

This again points to a potentially important role for local animation and guidance to support the rural Cumbrian economy, with the LAG Executive, or similar, structure having a potentially important role in this.

In the words of one respondent:

*'The uncertainty caused by the pandemic highlights the importance of local level stimulus funds to assist in the rebuilding of the local economy in the months and years ahead.'*

## **6.5 Managing Authority Constraints**

This LEADER programme saw the RPA play a more central role in determining the investment priorities for funding. As a consequence, a number of stakeholders consulted by the evaluation team to date have suggested that the bottom-up CLLD approach embedded within the LEADER model has been diminished under the current programme:

*'LEADER is no longer bottom-up...the current programme is directed by the RPA.'*

*'the current LEADER programme is very different to what has gone before, with increased control from RPA...it lost its community focus.'*

CCC EPT staff collectively highlighted this shift as a key challenge for delivering LEADER across Cumbria.

As Accountable Body, CCC tried to be as flexible as possible within the constraints imposed under this LEADER programme in order to maximise impact and provide support to key rural

industries in areas where there was clear demand. For example, restrictions in terms of eligible expenditure under 'Increase Forestry Productivity' meant that certain equipment could not be funded under this LEADER priority and CCC EPT utilised funding available under the 'Support Micro and Small Businesses' priority to support such projects that were a capital project that would result in job creation or economic growth. Such flexibility was clearly of benefit to forestry businesses across both areas. **Figure 6.2** below shows the sectors supported through the SME Support Theme, highlighting the importance of agriculture and forestry within this.

**Figure 6.2: SME Support by Sector**

SME SUPPORT - Sector of Business	% of SME Support projects
Agriculture, forestry, fishing	29%
Business services	4%
Construction	2%
Food and drink	20%
Manufacturing	6%
Other	29%
Retail	2%
Services	4%
Sports and recreation	4%
<b>Total</b>	<b>100%</b>

However, CCC EPT staff highlighted little flexibility from an RPA perspective, particularly in relation to the need for funding agreement variations, something which does not reflect the practicalities of project delivery. In particular the need to seek a variation in relation to any shift in project start and completion dates or spending profiles. There were 266 variations across 81 projects, an average of 3.2 for those that requested a variation, with one project having 11 variations. This creates a significant amount of work for what are usually relatively minor amendments to projects.

**As a consequence, any successor programme should have tolerances built in to accommodate any minor adjustments to the project delivery timescale or budget lines (provided a project stays within its overall budget), without the need for formal variations to be submitted.**

The two stage appraisal process, which had to be applied across all applicants, regardless of size, generated a significant amount of work, with 49% withdrawing at Outline/Expression of Interest stage, and a significant amount of verification work required by the CCC EPT at Eligibility and Completeness Review before approval.

This was a view shared by other LEADER groups, who felt that the *'themes were overly complex'*. In addition, another group thought that it involved a greater amount of work than anticipated for the Accountable Body with appraising bids and checking of quotes in particular a huge ask. One interviewee estimated that appraisals took about five days due to quote checks, a concern also noted by the CCC EPT.

Collectively this highlights the potential need for a more simplified or streamline application process.

## 6.6 Economic Focus

The current programme saw a considerable adjustment in the investment priorities and focus for the LEADER programme overall with a shift towards capital focused investment to stimulate job creation. By contrast previous iterations of LEADER had a significant focus on community, inclusion and social value, with the programme playing a key role in supporting rural communities and services through both capital and revenue funding. While the economic focus has enabled the programme to play an important role in supporting the rural economy and rural businesses in the local area, it has restricted the programmes ability to deliver wider social benefits and this is something that a number of local stakeholders have flagged as impacting on the wider transformational impact of the programme on local rural communities.

*'The current LEADER programme is very different to what has gone before, with increased control for the RPA and the shift towards being a largely capital grant funding programme with very limited revenue costs available, meaning it has lost its community focus and reduced its wider social value.'*

A number of consultees, especially from the LAG Executive, felt that there was a need to better integrate community and social interventions into the programme. While this was successfully achieved with some projects, such as Shap CIC, the economic focus precluded any extension of this type of support.

With the many issues that rural Cumbria faces in the current period, with both Covid-19 and upcoming Brexit having significant impact, the evaluation suggests that the Community Led Local Development approach has something to offer, in terms of tailoring support to specific local rural needs.

Since this LEADER round focused on economic outputs, the programme effectively operated, with limited exceptions, as a small business capital grant scheme. It has been generally acknowledged that the programme has been very effective in this role, getting support to small rural businesses that play an important role in maintaining fragile rural communities, who would otherwise find it difficult to access larger grant funds, such as those available through the Cumbria Growth Hub.

Other LEADER groups noted that while jobs are widely seen as the primary metric for measuring the impact of activity this is not always appropriate in every case. For example, where automation is being used to enhance productivity on farm, or a service is providing a public good in a rural area. In addition, finding small rural business with job creation potential can be a challenge. For example, interventions can be about diversifying income to cover less profitable elements of farming (such as dairy or some livestock), and this can also be the case for tourism activities funded by some LAGs with walling or sculpture trails leading to no direct job creation but clearly having the potential to have a positive economic impact in the local area, through the creation of indirect and induced impacts.

Survey respondents were asked to state what they think is best about the programme. Unsurprisingly responses were most likely to highlight the positive impact of the funding on their business, with specific responses including:

*'It was excellent to access a fund which was in line with our own ambitions, specifically to grow our business in a sustainable way, bringing more visitors to a lesser frequented area, providing luxury accommodation, creating employment in the area and benefiting the local and wider economy.'*

*'enabled a farming business to be viable in an uncertain environment.'*

These business grants were therefore seen as an important part of the mix, with flexibility being important, together with the local understanding provided through the LAG.

## **6.7 Looking Forward**

It is clear that locally directed funding within rural Cumbria has provided tangible economic and social value. The LEADER principles of bottom up, partnership, integration, innovation, co-operation, networking and area-based approaches collectively have the potential to make a significant contribution to the micro businesses and social enterprises that make up the rural economy.

With Brexit, and the withdrawal of EU Programmes, there is an urgent need to consider what will replace the current Programme, to ensure that impetus is not lost and to avoid re-inventing the wheel. Within this context there is scope for a locally directed rural fund that aims to support integrated socio-economic approaches, incorporates animation and developmental support and which, importantly, provides financial support to the crucially important micro-businesses.

Consideration therefore needs to be given as to how such a fund can be supported and managed, building on the UK Government's commitment to maintain a level of support through mechanisms such as the Shared Prosperity Fund, and ensuring complementarity with LEP support, and other initiatives, such as the Borderlands Growth Deal.

In addition, any future programme design should ensure that the processes involved are both flexible enough to meet a range of local needs and proportionate to the aims and values of support being offered.

## **CASE STUDIES**

<b>Project name:</b>	The Soap Dairy
<b>Business name:</b>	Dodgson Wood Farm
<b>LEADER Priority:</b>	Priority 2 – Support for micro and small businesses (non-agricultural) and farm diversification.
<b>Measure:</b>	Measure 6.4 – Farm and business development, support for investments on creation and development of non-agricultural activities.
<b>Amount of grant:</b>	£22,973.41
<b>Intervention rate:</b>	40%
<b>Project focus:</b>	Redevelopment of disused building
<b>Web:</b>	<a href="https://thesoapdairy.com/">https://thesoapdairy.com/</a>

## The Project

This project sought to expand the Dodgson Wood farm diversification project for Nibthwaite Grange Farm, which already includes holiday rental accommodation through a camping barn, campsite and cottage; and the production and sale of produce including soap, wool and meat from animals reared on the farm. Funding was secured to enable the business to redevelop the former shippon (milking parlour) on the farm for use as:

- 50% for accommodation for family or employees, with this part of the redevelopment fully-funded by the business itself;
- 50% for The Soap Dairy, a multi-functional space to be used for soap production and soap production workshops, shop display and sales for farm products, exhibitions and events.



The funding has therefore enabled the repair and redevelopment of a building that has been disused for over 20 years, providing the farm with greater capacity and potential to further increase its diversification activities and revenue. In particular, soap production from jersey milk has increased significantly, with web-based sales continuing to be healthy, and increasing, even in the face of the Covid 19 lockdown, partially offsetting the negative impact on holiday rentals.

*'...it changed our business from a bit of a hobby into an actual business'*

*'Added value'*

## Impact

It is estimated that the LEADER funding was 50% additional to the project, contributing, after multiplier effects, to:

- 1.2 full time equivalent jobs;
- £30,000 turnover; and
- £8,000 gross value added;.



*'It has been fantastic for our business'*

*'Support made a massive difference - would have been more tentative without support'*

*'Support from (Cumbria County Council) team (was) great'*



<b>Project name:</b>	Improved Accessibility to Old Courthouse
<b>Business name:</b>	Shap Community Charitable Incorporated Organisation (CIO)
<b>LEADER Priority:</b>	Priority 4 – Provision of Rural Services
<b>Measure:</b>	7.4 Support for investments in the setting up, improvement and expansion of local basic services for the rural population
<b>Amount of grant:</b>	£86,500
<b>Intervention rate:</b>	80%
<b>Project focus:</b>	Improved accessibility, visibility and flexibility to a key community asset
<b>Web:</b>	<a href="https://theoldcourthouse.org/">https://theoldcourthouse.org/</a>

## The Project

The objective of Shap Community CIO is to benefit the residents of Shap and neighbouring communities by improving their wellbeing through education, social welfare, recreation and leisure services, activities and assets. The CIO was initially established to take on a Community Asset Transfer of the Old Courthouse from Cumbria County Council. Entirely run by volunteers this community asset now provides a range of facilities and services, including the library, space for hire, gallery, playgroup, drop-in centre, office space, ICT access and Wi-Fi and visitor information. However, funding was required to undertake a number of key building and construction works to enhance the sustainability and reach of the building. This included:



- Increasing the accessibility of the building and enhancing visibility to the public;
- Increasing energy efficiency;
- Maximising space available for revenue generating activities, including events and rental space;
- Develop the outdoor space to enable the hosting of outdoor events;
- Ensure the building is fit for purpose to promote the local area.

*'LEADER provided £86,500 of the £115,000 total without which the project could not have gone ahead, probably for some years'*

*'Extraordinarily difficult to obtain money'*

*'Without support we'd have given up'*

These improvements were targeted on enhancing the visibility of the facility among the community and visitors, the accessibility of the building and embed flexibility to spaces within the building in order to enhance its revenue income and sustainability moving forward.

The building complements other community assets, such as the Village Hall, which is open for bookings only, rather than the drop-in facility provided by the Old Courthouse and provides a focus for tourism on a seven days a week basis.

## Impact

The project is considered to be wholly additional to LEADER funding, meaning that all of the benefits are attributable to grant support.

The project attracts c.7,665 volunteer hours over a full year and is projected to attract 22,500 additional day visitors over 3 years, as well as wider wellbeing benefits for the community. This translates into an annual economic benefit of c.£90,000, equivalent to c.3 full time equivalent jobs, and social value of c.£45,000.



There are also wider wellbeing benefits, through the provision of community social space, and acting as a venue for local services, such as the playgroup. The facility is important for older age groups, with the over 65 population in Eden District being 27.5%, compared to the English average of 16.3%.