



Cumbria County Council
Evaluation of the 2014-20 Solway, Border and Eden
LEADER Programme
Final Report

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Centrifuge Consulting
The Core
Newcastle Helix
Bath Lane
Newcastle upon Tyne
NE4 5TF

e: admin@centrifuge.coop
w: www.centrifuge.coop



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Contents

EXECUTIVE SUMMARY: Solway, Border and Eden LEADER	i
The Programme	i
Achievements	ii
Lessons Learned	iii
1. Introduction	1
1.1 The Report	1
1.2 The Programme	1
1.3 Background	2
1.3.1 The Programme	2
1.3.2 SBE LEADER	3
1.3.3 Externalities	4
1.4 Logic Framework	5
2. Process and Inputs	7
2.1 Delivery	7
2.2 Inputs	8
2.3 Access and Perceptions	10
2.4 The LAG	11
2.5 The Local Development Strategy	12
3. Activities	15
3.1 Targeting	15
3.2 Project Type	15
3.3 Beneficiary Type	16
3.4 Geography	18
4. Outputs and Outcomes	20
4.1 Reported Achievements	20
4.2 Jobs Created	22
4.3 Wage Change	26
4.3 New Techniques and Farm Productivity	29
4.5 Tourism	29
4.5.1 Additional Day Visitors	29
4.5.2 Additional Overnight Stays	29
4.6 Culture & Heritage	30
4.7 Population Benefiting	30
5. Impact	31
5.1 Additionality	31

5.2 Economic Impact	32
5.3 Social Value	33
5.3.1 Volunteering	33
5.3.2 Wellbeing Benefits	34
6. Lessons Learned	35
6.1 Covid-19	35
6.2 Political Externalities	36
6.3 Processes	36
6.3.1 Application	36
6.3.2 Proportionality	37
6.3.3 Procurement	38
6.3.4 Match Funding	39
6.4 Role of LAG	39
6.5 Managing Authority Constraints	40
6.6 Economic Focus	41
6.7 Looking Forward	43
CASE STUDIES	44

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

Acronyms used in the Report

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



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EXECUTIVE SUMMARY: Solway, Border and Eden 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 SBE through the last two programmes, since 2002.

Delivery

Although an EU wide programme, overall management is undertaken at the state level, in the case of England by the Rural Payments 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.

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 upon 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. 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 Executive and the LDS.

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



- £4.7m to be invested in the local economy
- Forecast £1.98m LEADER investment
- £2.72m match funding levered



- 84 projects funded
- Over £1.18m directly invested in SME development and creation
- 74 micro businesses supported with almost £1.5m of LEADER grants



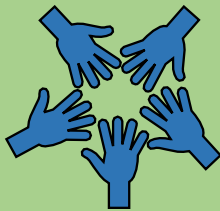
- At least 40 local farming businesses supported through direct investment
- Over £372,000 of LEADER grants to livestock farms
- Over £229,000 LEADER investment in farm productivity



- Investment across the SBE area with projects in 38 different wards
- £0.88m LEADER investment in rural areas within Carlisle City Council boundaries and over £560,000 in Allerdale district
- Significant project numbers in wards including Longtown & Rockcliffe (9), Dalston (8) and Skelton (7)



- By 2023, the Programme is projected to have generated an additional:
 - 90.3 full-time equivalent jobs
 - £16.3m turnover
 - £5.6m gross value added



- Engagement with local interests through LAG, with member inputs worth in excess of £37,000
- Additional £0.3m 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 impacts, 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.

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 around 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 RPA processes involved in allocating grants were 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 for applicants and 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 in role, 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 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, Cumbria County Council (CCC) through its Economic Programmes 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 and in stimulating projects.

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 principles¹, 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.

¹ 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 Solway, Border and Eden 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 capital grant programme rather 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 Solway, Border and Eden (SBE) LEADER Programme 2014-2020.

The report draws on activities to date, including:

- Review of programme documentation;
- Interviews with the EPT and Local Action Group (LAG) members; and
- Analysis of the beneficiary on-line questionnaire, of which there were 29 completed responses;
- Follow-up telephone interviews with 10 beneficiaries;
- Interviews with 6 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

SBE 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). A concurrent evaluation of the other Cumbrian Programme, Cumbria Fells and Dales took place.

The approach of the Programme is informed by a Local Development Strategy (LDS) developed through widespread 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

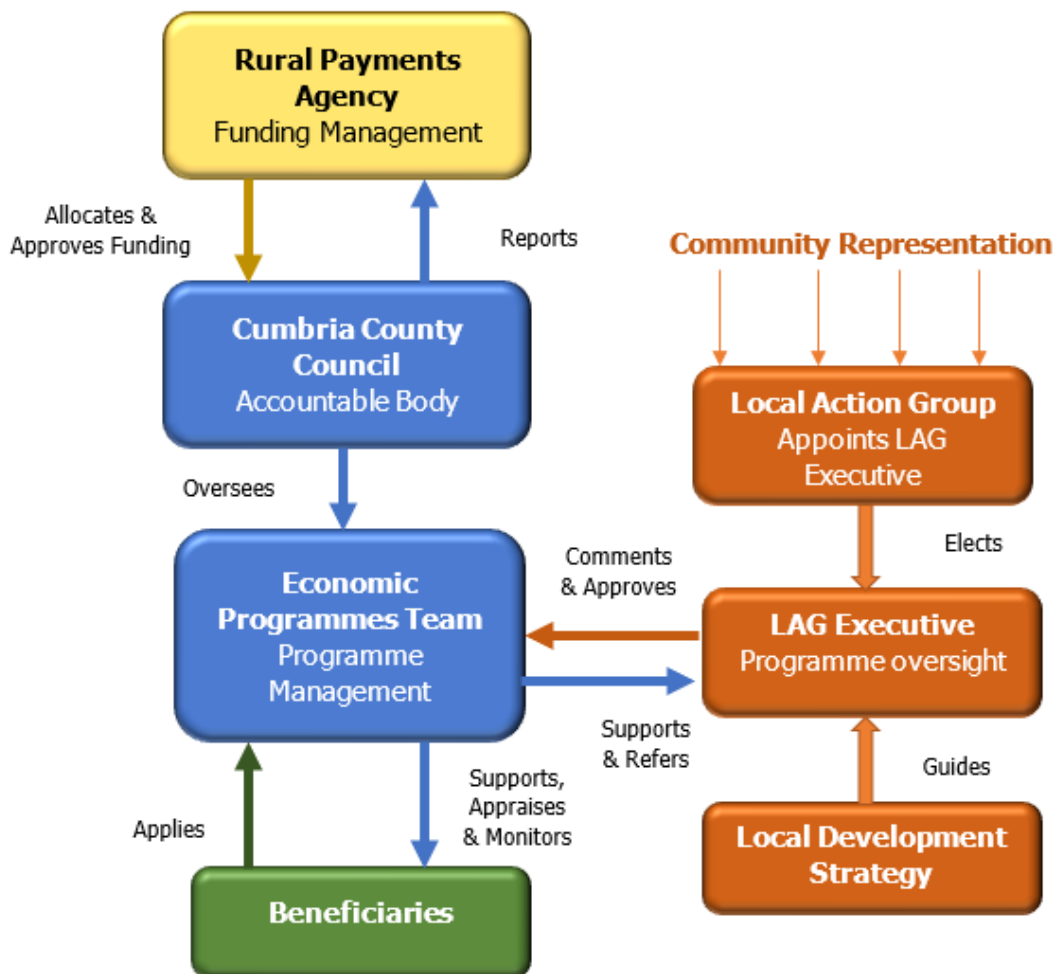
The European Union (EU) LEADER programme has been in existence since 1999, and has gone through 5 programmes, with the latest iteration in 2014-2020 intended to have a focus on community-led local development (CLLD), based on seven key principles:

- 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** illustrates the relationships between key partners.

Figure 1.1 SBE LEADER Delivery



1.3.2 SBE LEADER

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

The evaluation of the 2007-13 Programme concluded that:

'In SBE, LEADER has not operated as a grants programme funding individual applicant(s) but operated holistically in making interventions in businesses and communities that are sustainable and strategic. Rather than taking Axes, Measures and the area in isolation, the Programme has actively sought to:

- *Link project activities within SBE across Measures*
- *Jointly develop and fund projects with the neighbouring CFD LEADER Programme*
- *Work strategically at project and Programme levels to ensure that LEADER complemented other economic and community initiatives'*

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 capital 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 co-operation actions.

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. While this shift was generally acknowledged as a response to criticisms regarding funding decisions made in some local LEADER programmes across England, this national decision directly impacted on the area despite it being held as an exemplar LEADER programme during past iterations.

This has left a feeling among some, more experienced, LAG Executive 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.'*²

The issues that arose from this are discussed throughout 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
- 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 restrictions³. 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

² http://www.terport.hu/webfm_send/545

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

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 Executive 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
TOTAL (excluding 2017 overlap)			25 weeks

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 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.

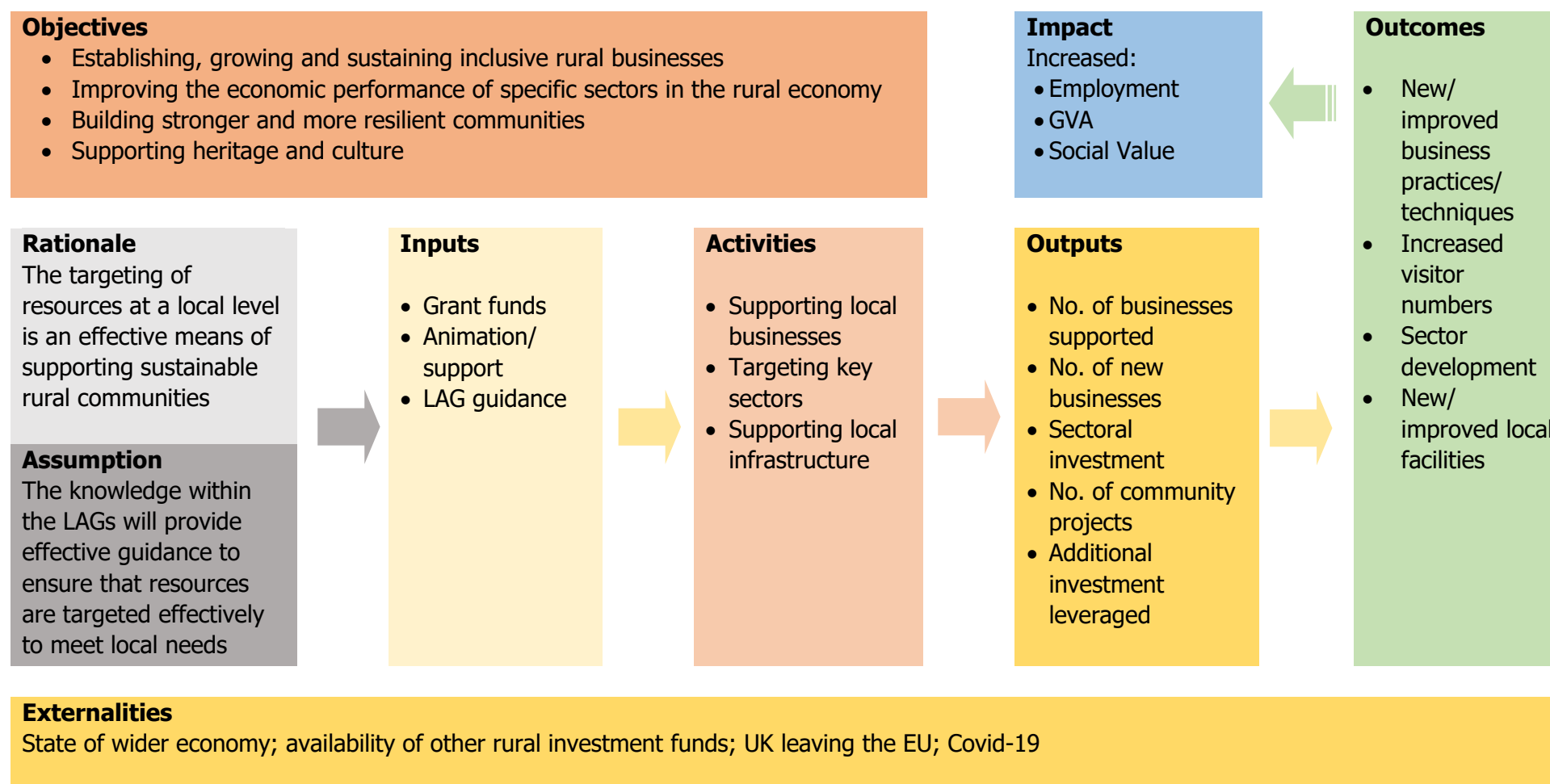
1.4 Logic Framework

The impact assessment in this evaluation uses a Theory of Change⁴ approach that maps out the inter-relationships from the rationale underpinning the Programme, to the outcomes and 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 Book⁵ ROAMEF (Rationale; Objectives; Appraisal; Monitoring; Evaluation; and Feedback) cycle. **Figure 1.3** overleaf shows the logic framework underlying the intervention, which informs the structure of the Report.

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

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

Figure 1.3: Logic Framework – SBE LEADER 2014-2020



Summary

The Programme contracted 84 grants, with a total value of £1.99m. There was a high attrition rate from expressions of interest to grant, with 105 applications withdrawn by applicants.

The Economic Projects Team of Cumbria County Council provided project management, and supported the Local Action Group Executive, who made decisions 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

SBE is supported by the CCC EPT that also provide the administration for the neighbouring Cumbria Fells & Dales Programme. It should be noted that the administration budget does not allow for the level of animation in previous 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. However, despite these challenges the animation support provide by the EPT has been of a particularly high standard and has been integral to the success of the programme.

The Programme did generate significant interest, pointing to the fact that there have been successful earlier versions of the Programme run in the SBE 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 **35%** of proposals moving forward.

Figure 2.1 below shows the status of the applications. 84 grants were awarded.

Figure 2.1: Application Status

Status	Number
Withdrawn by applicant	120
Contracted (including closed)	84
Rejected	33
Stopped for other reasons	4
Total	241

Half of all applications were withdrawn at various stages, with reasons suggested being:

- A reflection of difficulties in obtaining match funding; and

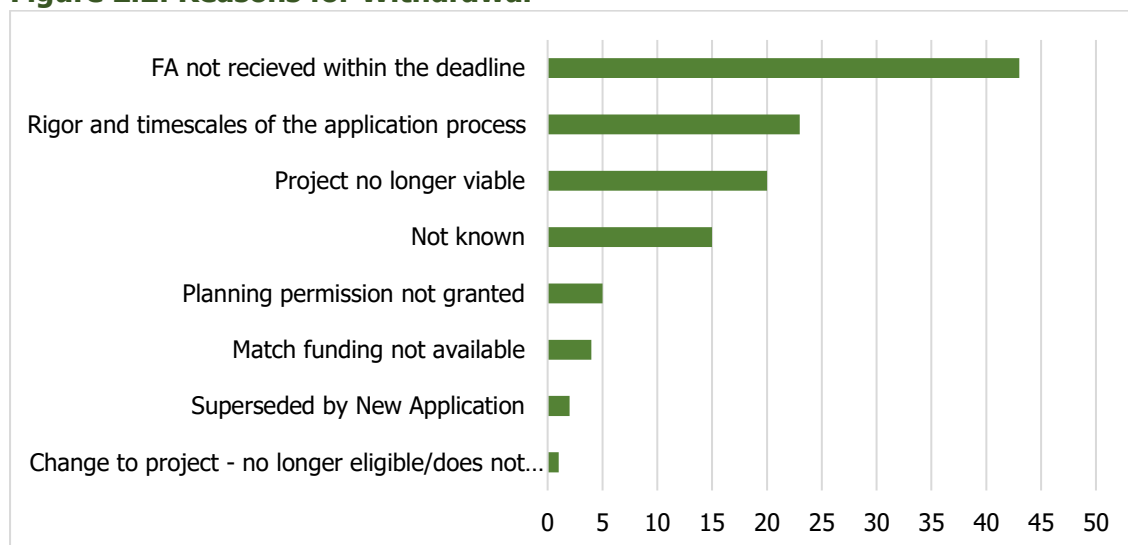
- The level of information required from applicants to obtain support.

The rate of withdrawal spiked in 2018. Of the 120 withdrawn applications:

- 17% were withdrawn in 2016;
- 20% in 2017⁶;
- 33% in 2018;
- 20% in 2019; and
- 10% in 2020.

The reasons given for withdrawal are shown in **Figure 2.2** below.

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**.

⁶ There may have been some impact on the increase in numbers through changes to the administrative forms and processes in April 2017.

Figure 2.3: Funding Allocation

	Final allocation after surrender of funds in July 2019	Exchange Rate Gains	Original Allocation
Date	May-20	Jul-18	Aug-16
Allocation	£2,422,893	£2,482,766	£2,261,600
Administration	£436,121	£407,088	£407,088
Projects	£1,986,772	£2,075,678	£1,854,512
Allocation			
Farm productivity	£229,151	£231,823	£184,912
SME Support	£1,260,760	£1,212,433	£591,040
Tourism	£321,411	£371,007	£484,800
Rural Services	£74,888	£86,562	£290,800
Cultural and Heritage	£49,802	£49,815	£96,000
Forestry Productivity	£50,760	£124,038	£206,960
Total	£1,986,772	£2,075,678	£1,854,512

Grants were contracted between August 2016 and May 2019. A further tranche of grants, utilising uncommitted funds, was released in late 2019, but details of the allocation are not yet available, in part due to the impact of Covid-19. **Figure 2.2** shows the gradient of spend. The average time taken from offer of contract to closing the grant file was **222** days.

Figure 2.4: Cumulative Programme Spend to August 2020

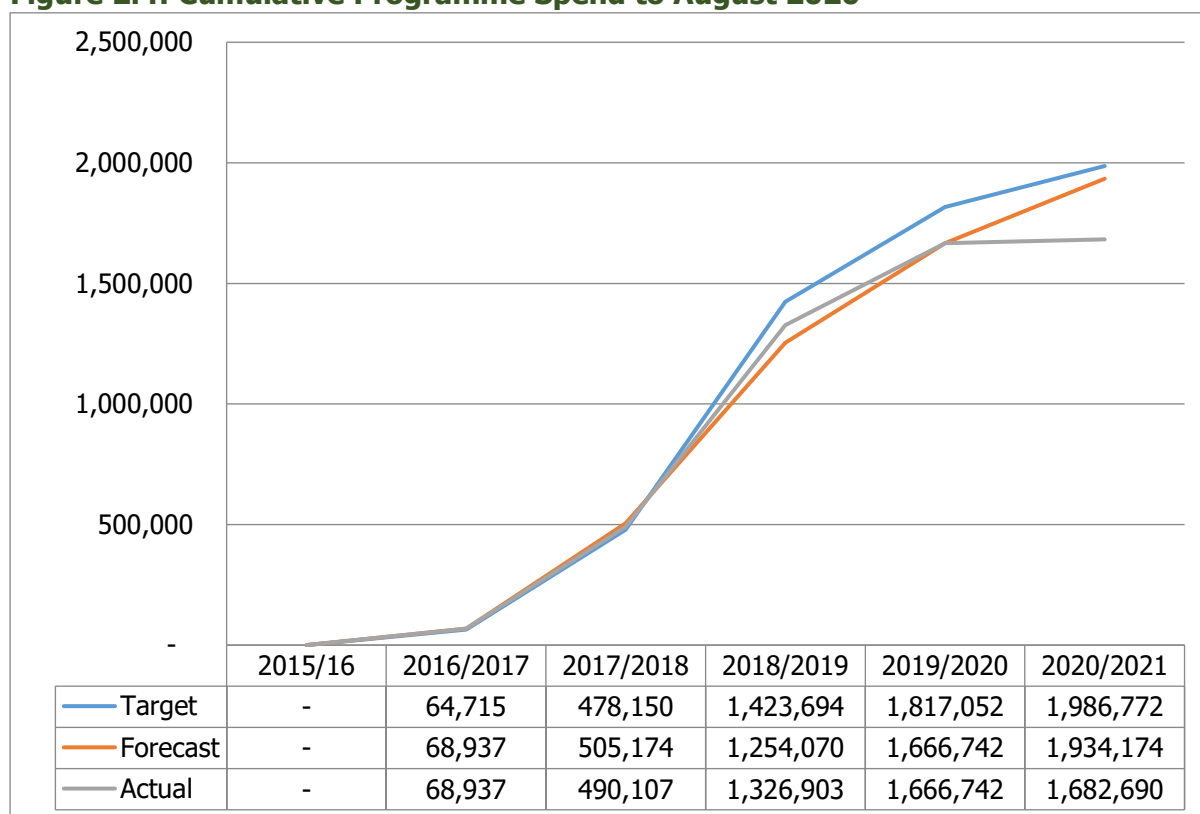


Figure 2.5 below shows the total forecast investment enabled through the SBE LEADER programme with c.£1.9m of grants leveraging in an additional c.£2.7m of match funding from private and public sector sources meaning a total expected investment of c.£4.6m in the area's rural economy and communities.

Data provided by the CCC EPT shows that to August 2020 a total of £1.68m or 87% of forecast LEADER spend had been paid out in grants.

Figure 2.5: Forecast investment

Financial Inputs	Amount forecast
LEADER Grant	£1,934,174
Match Funds	£2,721,794
Total Project Value	£4,655,968
Average Grant per project	£23,026
Highest individual grant	£130,600
Lowest individual grant	£2,560

The mean average grant is significantly smaller, at 64% of the average reported by the RPA across the English Programme on 27 November 2019, at £35,474, pointing to more, but lower individual grants in SBE.

Of these grants, 54 (64%) were for under £20,000, and 1 (1%) was 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 applicants 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	2	7%
Local press	6	21%
Website	4	14%
Applied for LEADER funding before	4	14%
Support organisation	7	24%
Word of mouth from another source	6	21%
Total	29	100%

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 SBE gave a high average score of 72 (median 80) suggesting strong marketing. However, this score dropped to 45 over how easy was it to access the funding.

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:

'...long winded and complex application process with uncertainty of outcome, but then tightly defined period for delivery of project. Slow turnaround from grant drawdown being verified to funding reaching our bank account.'

'The application process is daunting and ridiculously strict and arduous in proportion to the funding.'

'Extremely rigorous process to the extreme ...excessive amount of stress attached to the process and you have to be utterly determined to achieve the end goal.'

Clearly, the level of information required proves 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 local rural focus and support was seen as positive:

'(Good) support [from EPT] before and during the project. Rigorous application process involves necessary scrutiny of business and future plans'

'Over all, incredibly positive.'

The role of the CCC EPT was particularly valued:

'Fantastic Programme to help people and businesses. (Adviser) from [EPT] was brilliant help.'

'Support from [EPT] designated advisor is invaluable, plus access to business specific funding.'

'[EPT] Support staff have been very good - willing to talk through issues and giving good guidance. Have been extremely helpful all the way through.'

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 funds⁷.

The SBE area has benefited from LEADER funding for some years, and a number of LAG Executive members have experience over different iterations of the programme. There is

7

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

general agreement over the importance of the LAG Executive in signing off funds, introducing local knowledge, with comments including:

'[the LAG] understands the countryside'

'[LAG] gets local people involved around local issues'

'Stronger argument for LAG now than ever'

'[Post Brexit] the LAG is a valuable part of the process'

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 Executive members meant that there was good and full consideration over the proposals that it had to consider

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, with community projects being eligible for support;
- 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
<p>Programme A: Establishing, growing and sustaining inclusive rural businesses</p>	<p>Investments which support improvements in productivity and efficiency of micro and small enterprises (e.g. in business planning, marketing, product development and branding, new technologies, IT utilisation). Start-up revenue support for micro enterprises Capital grants for growing micro and small enterprises in all sectors for the development of infrastructure, purchasing of equipment and processing, mobilising and marketing of products. Development of time limited micro-enterprise grant schemes to provide small grants to undercapitalised sectors (e.g. hill-farming and forestry contracting) Integration with initiatives that focus on young people and other disadvantaged groups particularly in relation to access to employment and labour market development Encouragement of development and sustainability of networks e.g. forestry, farming, business, tourism</p>

	<p>Integration with business support activities delivered through Growth Programme and Forestry and Farming Productivity Scheme (FFPS).</p>
<p>Programme B: Improving the economic performance, resilience and competitiveness for the farming and forestry sectors</p>	<p>Initiatives which increase the productivity and viability of farms through:</p> <ul style="list-style-type: none"> • investments in farm buildings, equipment and infrastructure • improved use of IT, management and succession planning and increased technical knowledge • improved animal health and welfare, soil management and environmental enhancements, use of renewable technology. <p>Initiatives which add value to farm products including collaborative marketing and promotion opportunities, quality schemes and development of supply chains. Integration with initiatives which support farm demonstrations, focus farms, whole farming family, sustainable livelihood approaches.</p> <p>Investments which increase the capacity to extract, and process timber and timber products (e.g. specialised equipment, infrastructure, access).</p> <p>Integration with initiatives that support woodfuel supply chains including initiatives which promote renewable energy in local markets (e.g. LEP).</p> <p>Initiatives which add value to forestry products (and co-products) including quality schemes, collaborative marketing and promotion opportunities.</p>
<p>Programme C: Developing innovative approaches to rural service provision / increasing accessibility to rural service provision / promoting community cohesion</p>	<p>Initiatives that build community involvement, capacity and leadership working closely with partners in Local Authorities, community and voluntary sector's provision of information, advice and guidance to support financial, business and needs planning for community groups</p> <p>Provision of small development grants to support community groups in carrying out feasibility studies, technical reviews, business planning etc.</p> <p>Development of strong local networks and partnerships capable of increasing and sustaining volunteering capacity</p> <p>Development of community assets particularly those which can act as 'hub's' for local activity and service. delivery (e.g. pubs, shops, post offices).</p> <p>Grants for small scale innovative and collaborative community-based projects that seek to improve accessibility to rural services.</p> <p>Encouragement of community and social enterprise start up and development to provide rural services (e.g. childcare, healthcare, social care, energy).</p> <p>Encouragement of initiatives which promote energy efficiency, sustainable use of energy, and increase capacity for renewable energy.</p>
<p>Programme D: Developing small scale tourism and recreational</p>	<p>Encouragement of new start-ups and expansion of existing businesses to meet service gaps in the visitor offer particularly where this will enhance access to green</p>

<p>opportunities which build on the distinctiveness of the area</p>	<p>transport options and/or provide services to local communities as well as visitors.</p> <p>Investment in new and existing businesses to provide enhanced, restored, upgraded or additional attractions and accommodation for visitors where these complement the priorities of the Programme and other partners.</p> <p>Support for the development and delivery of events, schemes or activities which contribute to the sustainability of local natural, heritage and cultural assets, or which add value to these assets where these complement the priorities of the Programme and other partners.</p> <p>Support for knowledge transfer activity and collaborative approaches particularly around new and social media to attract a higher value-added customer base.</p> <p>Support for community-based initiatives which celebrate and promote local products.</p> <p>Encouragement of tourism initiatives which promote energy efficiency, sustainable use of energy, and increase capacity for renewable energy.</p>
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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 RPA, which limited the scope of support. Gaps that developed due to 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, 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.

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 62% of the forecast grant investment, while Culture and Heritage was 1% and 3% respectively.

The average grant per project was £22,723, with farmers making up 45% 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 (42) and total grant spend forecast (c.£1,182,747), although it ranked 3rd out of the 6 themes for average grant per project (£28,161). Culture and Heritage had the largest average grant per project with only one project funded under this theme.

Figure 3.1: Investment by LEADER theme

Priority	Theme	No. of projects		Total grant forecast		Av. Grant per project
		No.	%	£	%	
1	Farm productivity	27	33%	£229,151	12%	£8,487
2	SME Support	42	49%	£1,182,747	62%	£28,161
3	Tourism	9	11%	£321,411	17%	£35,712
4	Rural Services	2	2%	£74,888	4%	£37,444
5	Cultural and Heritage	1	1%	£49,802	3%	£49,802
6	Forestry Productivity	3	4%	£50,760	3%	£16,920
Total		84	100%	£1,908,759	100%	£23,565

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) unsurprisingly accounted for the largest number of supported projects and the largest proportion of the grant allocated, with the average grant given per project (£29,883) higher than that across the programme (£22,723).

Figure 3.2: Investment by Project Type

Project Type	No. of projects		Total grant forecast		Av. Grant per project
	No.	%	£	%	
Accommodation upgrades & Diversification	5	6%	£168,270	9%	£33,654
Animal Health and Welfare	20	24%	£133,847	7%	£6,692
Basic services	2	2%	£74,888	4%	£37,444
Capital Infrastructure improvements	1	1%	£43,535	2%	£43,535
Cultural and Heritage	1	1%	£49,802	3%	£49,802
Destination Management	1	1%	£14,243	1%	£14,243
Energy Efficiency	3	4%	£22,956	1%	£7,652
Forestry contractor	2	2%	£37,120	2%	£18,560
Investment in new space / building upgrades	1	1%	£42,190	2%	£42,190
Marketing & Advertising	1	1%	£53,174	3%	£53,174
Nutrient Management	1	1%	£10,000	1%	£10,000
Processing and marketing	3	4%	£62,349	3%	£20,783
SME creation	5	6%	£77,077	4%	£15,415
SME development	37	43%	£1,105,669	58%	£29,883
Woodland owner	1	1%	£13,640	1%	£13,640
Total	84	100%	£1,908,759	100%	£22,723

3.3 Beneficiary Type

A wide range of different types of business or organisation were also recipients of grant funding with farmers with livestock the most commonly supported type and others including horticultural businesses, forestry contractors, dairy co-operatives and public sector organisations. Clearly farming and agriculture businesses accounted for a significant proportion of grant recipients with at least 40 of the 84 projects being farms of different types.

Figure 3.3: Investment by Business/Organisation Type

Business Type	No. of projects		Total grant forecast		Av. Grant per project
	No.	%	£	%	
Agricultural Contractor	2	2%	£65,600	3%	£32,800
Arable farmer	1	1%	£15,067	1%	£15,067
Contractor	3	4%	£96,976	5%	£32,325
Dairy co-operation	2	2%	£8,138	0%	£4,069
Dairy farmer	5	6%	£75,060	4%	£15,012
Farmer with livestock	28	33%	£372,584	20%	£13,307
Food industry (incl. abattoirs)	1	1%	£11,044	1%	£11,044
Horticultural business	1	1%	£10,362	1%	£10,362
Mixed farming	2	2%	£50,500	3%	£25,250
Non-agri rural business	7	8%	£283,805	15%	£40,544
Public sector organisation	1	1%	£53,174	3%	£53,174
Rural Business	19	23%	£549,260	29%	£28,908
Rural community or third sector organisation	4	5%	£118,679	6%	£29,670
Tourism operator	8	10%	£198,509	10%	£24,814
Total	84	100%	£1,908,759	100%	£22,723

Micro businesses accounted for the vast majority of projects receiving funding (88%) which is unsurprising given the profile of businesses in the area, with micro businesses accounting for a similar proportion (86%) of the overall SBE business stock. Such businesses were also 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. The medium organisation funded under the programme was Allerdale Borough Council who received a grant for a marketing and advertising project under the Tourism priority theme; while Bristol based Sustrans were the large organisation who received a grant for their Hadrian's Cycleway capital infrastructure improvement project, also under the Tourism priority theme.

Figure 3.4: Investment by Business size

Business Size	No. of projects		Total grant forecast		Av. Grant per project
	No.	%	£	%	
Micro	74	88%	£1,498,877	79%	£20,255
Small	8	10%	£313,173	16%	£39,147
Medium	1	1%	£53,174	3%	£53,174
Large	1	1%	£43,535	2%	£43,535
Total	84	100%	£1,908,759	100%	£22,723

3.4 Geography

It is also important to consider the geographic distribution of funding allocated by the SBE LEADER programme and as the area cuts across a number of districts within Cumbria. Analysis of investment by district shows that the programme invested in projects in each of the four District Council areas within SBE, with Carlisle accounting for around 40% of all funded projects and 46% of grants allocated, with Allerdale accounting for 27% and Eden 22% of projects. It should be noted that the urban city of Carlisle is an ineligible area and as such projects funded within the Carlisle City Council district are within its significant rural areas. In addition, the relatively low number of projects in Copeland is related to the eligibility of areas within it, with the district split across the two Cumbrian LEADER programmes and the CFD programme funding a further 8 projects in this area. Allerdale also contains wards within each of the two programmes with CFD having 9 projects in the area, alongside the 23 funded by SBE.

Figure 3.5: Investment by District

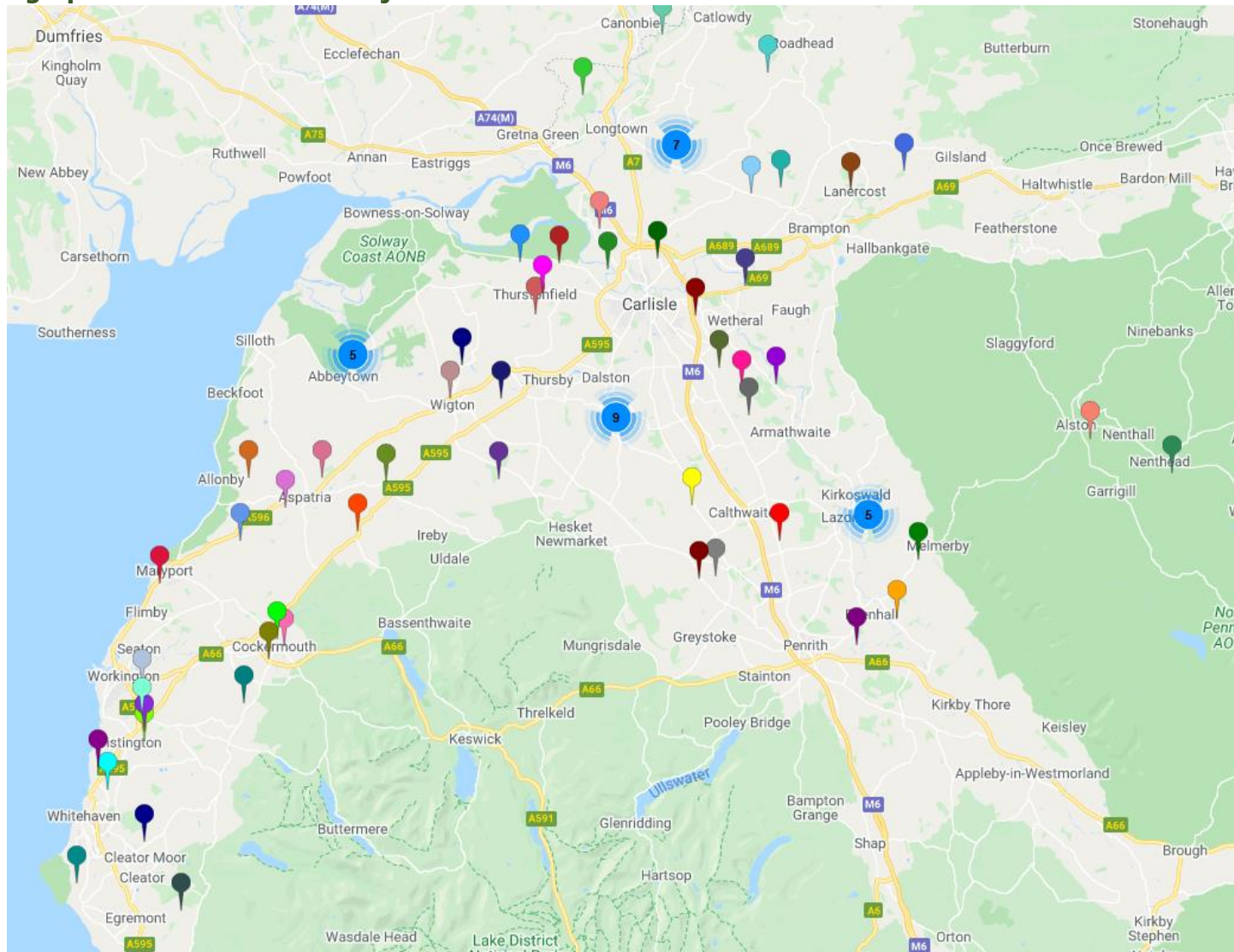
District	No. of projects		Total grant forecast		Av. Grant per project
	No.	%	£	%	
Allerdale	23	27%	£561,040	29%	£24,393
Bristol, City of	1	1%	£43,535	2%	£43,535
Carlisle	34	40%	£880,721	46%	£25,904
Copeland	7	8%	£121,223	6%	£17,318
Eden	19	22%	£302,241	16%	£15,907
Total	84	100%	£1,908,759	100%	£22,723

Investment at the ward level reveals that the programme funded projects across 38 of the 64 eligible wards across the SBE LEADER area (59%), although the number of projects and level of investment in each ward differed significantly, ranging from:

- One ward having nine funded projects with a total LEADER investment of £162,506 and an average grant of £18,056; to
- One ward with one funded project and a total LEADER investment of £2,812.

Figure 3.6 overleaf shows the geographical allocation of grants, again showing a spread across the LAG area.

Figure 3.6: Geographical Distribution of Projects



Summary

By August 2020, the Programme had supported 27.5 jobs, with a projection of a further 61 by 2023. The LEADER investment per job was £21,527, well within the National Benchmark of £30,000. The investment per job in SME support was £17,000, compared with £60,000 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: 94 businesses benefiting; an overall increase of £1.5m in wages; 38,000 additional day visitors and 25,000 overnight visitors (although these have yet to be achieved, primarily due to the impact of Covid-19); and 21 new products.

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 four out of eleven output indicators by August 2020 with a further target almost achieved at this stage;
- A considerable amount of outputs are still to be achieved, particularly for those indicators related directly to tourism (additional day visitors and additional overnight visitors) as well as wage change. 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 expected timescales, given that the majority of businesses were unable to trade or had restricted trade options between late March and early July 2020. It should be noted that the programme has made strong progress towards its job creation target agreed with the RPA (43 jobs created), with this target reduced from an original contracted target of 84 jobs, following the release of the national benchmark figure of £30,000 of grant per full time equivalent job (FTE).

Figure 4.1: Reported Outputs

Outputs	Achieved to August 2020	To be achieved	Forecast	% of total achieved by August 2020	Contracted with RPA	% of RPA contracted outputs achieved
New products	11	10	21	52%	-	-
Jobs (FTEs)	27.53	61	88.7	31%	43	64%
Wage Change	£299,463	1,231,353	£1,530,816	20%	-	-
New techniques	47	-	47	100%	-	-
Businesses benefitting	82	12	94	87%	59	139%
Farm Productivity (ha)	352	-	352	100%	-	-
Additional day visitors	-	38,039	38,039	0%	-	-
Additional overnight visitors	2,044	23,255	25,299	8%	-	-
Population benefiting from improved tourism infrastructure	73,383	500	73,883	99%	-	-
Population benefiting from services	236,315	-76,315	160,000	148%	-	-
Culture & Heritage - Actual population benefiting from new/improved service/infrastructure	2,850	-	2,850	100%	-	-

Detailed analysis of programme data reveals that the distribution of a number of these outputs differs significantly across projects and geographies within the SBE 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

The programme is forecast to create 88.67FTE jobs in the local rural economy, against an initial output of 128 set out within the Local Development Strategy and a contracted target with the RPA of 84, which was subsequently revised down to 43 following the publication of the National Benchmark of £30,000 investment per job created.

To August 2020 the programme had achieved 27.5 new jobs created (31% of the total target forecast), with the economic impact of Covid-19 likely to have a significant impact on 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 to date (80%) and forecast to be created (75%), while tourism accounts for the next highest proportions (9% and 13% respectively). Analysis of programme forecast spend as a whole suggests that LEADER grant investment per job forecast to be created is £21,527 which falls well below the £30,000 benchmark.

Analysis by theme shows that all themes other than cultural and heritage and farm productivity will achieve better value for money than the programme average in terms of forecast jobs created.

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 SBE programme has contracted to deliver its original output targets.

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	1.0	4%	0.0	2.8	5%	0.1	3.8	4%	↓	0.1	£60,303
1a. Improve the overall performance and sustainability of an agricultural holding and 1b. Support animal health and welfare improvements	0	0%	0	0	0%	0	0	0%	↓	0.03	n/a
1c. Processing, marketing and/or development of agricultural products	1.00	4%	0.5	2.8	74%	1.4	3.8	4%	↑	1.9	£16,408
2. SME Support	22.0	80%	0.5	46.1	75%	1.1	68.1	77%	↑	1.6	£17,363
3. Tourism	2.5	9%	0.3	7.9	13%	0.9	10.5	12%	↑	1.2	£30,757
4. Rural Services	1.0	4%	0.5	2.2	4%	1.1	3.2	4%	↑	1.6	£23,402
5. Cultural and Heritage	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	↓	0.0	n/a
6. Forestry Productivity	1.0	4%	0.3	2.1	3%	0.7	3.1	3%	→	1.0	£16,374
Total	27.5	100%	0.3	61.1	100%	0.7	88.7	100%	→	1.1	£21,527

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 is important to note that job creation in Theme 1 was only a required output for Farm Productivity projects funded 1c (adding value), and as such the majority of projects funded under this priority theme were not required or expected to create jobs. This has had a clear impact on the average number of jobs per project and LEADER investment per job created. All of the farm productivity projects relating to improved performance or sustainability (energy efficiency) and animal health and welfare projects were forecast to create no new jobs as these projects involved the purchase of technology largely to automate and reduce the manual labour required of certain functions within a farm, and as such would not directly lead to the creation of new jobs or additional employment.

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

- SME development projects are forecast to create the vast majority of new jobs created (72%);
- Investment in all types of project that are forecast to create jobs are expected to achieve better value for money (in terms of cost per job created) than the programme average, except for accommodation upgrades and diversification and basic services; and

- Investment in new space or building upgrades are forecast to achieve more jobs created per project (2.5 to date compared to 1.6 for the next highest project type) than any other project type.

Figure 4.3: Jobs by Project Type

Project Type	Achieved			<i>To be achieved</i>			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	
Accommodation upgrades & Diversification	2.5	9%	0.5	4.4	7%	0.9	7.0	8%	1.4	£24,211
Animal Health and Welfare	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	n/a
Basic services	1.0	4%	0.5	2.2	4%	1.1	3.2	4%	1.6	£23,402
Capital Infrastructure improvements	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	n/a
Cultural and Heritage	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	n/a
Destination Management	0.0	0%	0.0	1.0	2%	1.0	1.0	1%	1.0	£14,243
Energy Efficiency	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	n/a
Forestry contractor	1.0	4%	0.5	1.1	2%	0.6	2.1	2%	1.1	£17,676
Investment in new space / building upgrades	0.0	0%	0.0	2.5	4%	2.5	2.5	3%	2.5	£16,876
Marketing & Advertising	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	n/a
Nutrient Management	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	n/a
Processing and marketing	1.0	4%	0.3	2.8	5%	0.9	3.8	4%	1.3	£16,408
SME creation	1.7	6%	0.3	2.7	4%	0.5	4.4	5%	0.9	£17,638
SME development	20.3	74%	0.5	43.5	71%	1.2	63.8	72%	1.7	£17,344
Woodland owner	0	0%	0.0	1.0	2%	1.0	1.0	1%	1.0	£13,640
Total	27.53	100%	0.3	61.1	100%	0.7	88.7	100%	1.1	£21,527

Note: 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 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 SBE area and the nature of many farm-based projects. It should be noted that the business type with the highest average jobs created per project, food industry, is based on only 1 project; while the average for rural businesses is based on 19 separate projects.

Figure 4.4: Jobs by Business Type

Business Type	Achieved			<i>To be achieved</i>			Total Forecast			
	Total jobs	% of jobs	Av. Job per project	Total jobs	% of jobs	Av. Job per project	Total jobs	% of jobs	Av. Job per project	LEADER investment per job
Agricultural Contractor	1.0	4%	0.5	3.0	5%	1.5	4.0	5%	2.0	£16,400
Arable farmer	1.0	4%	1.0	-0.2	0%	-0.2	0.8	1%	0.8	£18,834
Contractor	3.0	11%	1.0	3.0	5%	1.0	6.0	7%	2.0	£16,163
Dairy co-operation	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	n/a
Dairy farmer	0.7	3%	0.1	1.2	2%	0.2	1.9	2%	0.4	£39,505
Farmer with livestock	1.0	4%	0.0	7.7	13%	0.3	8.7	10%	0.3	£42,826
Food industry (inc abattoirs)	4.0	15%	4.0	-1.0	-2%	-1.0	3.0	3%	3.0	£3,681
Horticultural business	0.4	1%	0.4	0.0	0%	0.0	0.4	0%	0.4	£25,905
Mixed farming	0.0	0%	0.0	2.0	3%	1.0	2.0	2%	1.0	£25,250
Non-agri rural business	3.0	11%	0.4	12.6	21%	1.8	15.6	18%	2.2	£18,193
Public sector organisation	0.0	0%	0.0	0.0	0%	0.0	0.0	0%	0.0	n/a
Rural Business	10.9	40%	0.6	25.1	41%	1.3	36.0	41%	1.9	£15,249
Rural community or third sector organisation	0.0	0%	0.0	2.1	3%	0.5	2.1	2%	0.5	£56,514
Tourism operator	2.5	9%	0.3	5.6	9%	0.7	8.2	9%	1.0	£24,357
Total	27.5	100%	0.3	61.1	100%	0.7	88.7	100%	1.1	£21,527

Note: 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 (£21,545 per job created) and small businesses (£16,396) with neither the one investment in a medium business and the one in a large business forecast to create any jobs;
- A range of 0.9 to 1.2 jobs forecast per project across the four different Cumbrian district council areas and a range of £17,074 to £23,631 of LEADER investment per forecast job created.

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 (87%) and total forecast wage change (77%). Although is the largest theme in terms of the number of projects supported (49% of all projects) and the forecast amount of grant funding (62% 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 one of the best returns on investment in terms of wage change with £1 of wage change forecast for every £1 of LEADER grant invested in projects under this theme. By this measure Forestry Productivity offers the best value for money with £1 of wage change forecast for every £0.70 of LEADER investment while tourism is forecast to perform less well by this measure with £1 of wage increase for every £2.30 of LEADER investment in projects under this theme. By contrast culture and heritage and rural services projects are not forecast to generate any wage change, as these projects form part of the 30% of the programme delivering conditions for growth as opposed to direct job creation

Figure 4.5: Wage Change by Theme

Theme	Achieved			<i>To be achieved</i>			Total Forecast		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	£12,246	4%	£454	£50,154	4%	£1,858	£62,400	4%	£2,311	£3.7
2. SME Support	£261,564	87%	£6,228	£948,628	77%	£22,586	£1,210,192	79%	£28,814	£1.0
3. Tourism	£25,653	9%	£2,850	£113,471	9%	£12,608	£139,124	9%	£15,458	£2.3
4. Rural Services	£0	0%	£0	£51,000	4%	£25,500	£51,000	3%	£25,500	n/a
5. Cultural and Heritage	£0	0%	£0	£0	0%	£0	£0	0%	£0	n/a
6. Forestry Productivity	£0	0%	£0	£68,100	6%	£22,700	£68,100	4%	£22,700	£0.7
Total	£299,463	100%	£3,565	£1,231,353	100%	£14,659	£1,530,816	100%	£18,224	£1.2

Note: 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 accommodation upgrades and diversification projects funded by the programme while forestry contractor, investment in new space and building upgrades, woodland owner projects require the lowest amount of LEADER investment. This also shows that investments in a number of project types are not forecast to generate any positive wage change. The relatively low level of wage increases stimulated through investment in accommodation upgrades and diversification may be due to such projects being used to generate an income that helps to address shortfalls in the profitability of certain types of farming with such new income therefore contributing to overall business sustainability and viability rather than generating more direct income in the way of wage increases.

Figure 4.6: Wage Change by Project Type

Project Type	Achieved			To be achieved			Total Forecast			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	
Accommodation upgrades & Diversification	£25,653	9%	£5,131	£46,971	4%	£9,394	£72,624	5%	£14,525	£2.3
Animal Health and Welfare	£0	0%	£0	£0	0%	£0	£0	0%	£0	n/a
Basic services	£0	0%	£0	£51,000	4%	£25,500	£51,000	3%	£25,500	£1.5
Capital Infrastructure improvements	£0	0%	£0	£0	0%	£0	£0	0%	£0	n/a
Cultural and Heritage	£0	0%	£0	£0	0%	£0	£0	0%	£0	n/a
Destination Management	£0	0%	£0	£13,000	1%	£13,000	£13,000	1%	£13,000	£1.1
Energy Efficiency	£0	0%	£0	£0	0%	£0	£0	0%	£0	n/a
Forestry contractor	£0	0%	£0	£53,000	4%	£26,500	£53,000	3%	£26,500	£0.7
Investment in new space / building upgrades	£0	0%	£0	£53,500	4%	£53,500	£53,500	3%	£53,500	£0.8
Marketing & Advertising	£0	0%	£0	£0	0%	£0	£0	0%	£0	n/a
Nutrient Management	£0	0%	£0	£0	0%	£0	£0	0%	£0	n/a
Processing and marketing	£12,246	4%	£4,082	£50,154	4%	£16,718	£62,400	4%	£20,800	£1.0
SME creation	£12,432	4%	£2,486	£46,287	4%	£9,257	£58,719	4%	£11,744	£1.3
SME development	£249,132	83%	£6,733	£902,341	73%	£24,388	£1,151,473	75%	£31,121	£1.0
Woodland owner	£0	0%	£0	£15,100	1%	£15,100	£15,100	1%	£15,100	£0.9
Total	£299,463	100%	£3,565	£1,231,353	100%	£14,659	£1,530,816	100%	£18,224	£1.2

4.3 New Techniques and Farm Productivity

39 of the 47 new technique outputs achieved by the programme were for farming productivity projects. Funding which resulted in the introduction of new techniques was particularly focused on farms with livestock with 19 of these businesses receiving LEADER funding going on to be responsible for 28 of the new techniques outputs. Other farming and agriculture business types featured heavily in this output with dairy farmers accounting for 3 of those introducing new techniques, dairy co-operatives 2, mixed farms 1 and arable 1. Collectively this means that farms accounted for 25 of the 30 businesses introducing new techniques.

Given the role of farm productivity projects and farming businesses in generating a significant proportion of new technique outputs achieved by the programme it is important to understand the equipment purchased through these projects (where data is available). **Figure 4.7** below provides this breakdown and shows that livestock related equipment accounted for the majority of investment through this LEADER programme theme with these investments focusing on the automation of processes to improve productivity rather than create jobs.

Figure 4.7: Farm Productivity – Equipment Purchased

Equipment purchased	No.	%
Cattle handling system	2	17%
Controlled atmosphere storage	1	8%
Heat exchanger	1	8%
LED lights (livestock housing)	4	33%
Livestock monitoring system	1	8%
Sheep handling system	2	17%
Slurry application system	1	8%
Total	12	100%

4.5 Tourism

The 73,338 achieved outputs for the 'population benefiting from improved tourism infrastructure' were delivered across two projects with a single marketing and advertising project accounting for 96% of this total.

4.5.1 Additional Day Visitors

To June 2020 20 additional day visitors had been achieved with the 3,038 forecast to be achieved distributed across two projects. Clearly the significant change in economic circumstances since project output forecasts were formulated mean that it is almost certainly the case that forecast output figures for tourism will not be achieved by programme end as tourism businesses and attractions have been prevented from trading between mid-March and July 2020.

4.5.2 Additional Overnight Stays

Of the 2,044 additional overnight stays achieved to June 2020:

- 1,939 were for a tourism accommodation upgrade project for a micro-business tourism operator in Dalston, Carlisle;

- 105 were for a SME support project with a micro-business dairy farmer diversification project in Longtown, Carlisle.

Forecasts for this output were based on 9 projects, although these are highly unlikely to be achieved over the expected time frame given the impact of Covid-19.

4.6 Culture & Heritage

The Culture & Heritage output shown in **Figure 4.1**, was delivered across two projects with a single rural services project in Alston Moor responsible for 74% (2,100) of the actual population benefiting from new or improved culture and heritage services or infrastructure.

4.7 Population Benefiting

Programme data shows that to date a total population of 236,315 have benefited from new or improved services funded through the programme, with a small number of rural services projects responsible for the majority of these outputs (69%) and tourism projects also accounting for the rest (31%).

Summary

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

- 90 full-time equivalent jobs;
- An increase of £16.3m in turnover; and
- A contribution to GVA of £5.6m

In addition, there is an annual contribution to social value of c.£0.37m

5. Impact

5.1 Additionality

Clearly, the outcomes to 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
Safeguarded existing jobs	1	4%
Brought forward planned activities	1	4%
Improved quality of activities/products	2	8%
Took on new employees	2	8%
Expanded our marketplace	3	12%
Would not be trading otherwise	4	15%
Enabled new products/services	4	15%
Improved the efficiency and viability of the business/organisation	4	15%
Improved animal health and welfare	5	19%
Total Businesses Answering⁸	26	100%

Many of the respondents highlighted the additionality of the funding, with 15% suggesting their business growth project could not have gone forward without LEADER funding. For example:

'A LEADER grant can enable the go ahead of an enterprise which will be crucial to the sustained viability of the whole business.'

⁸ Two respondents had not received funding, and one had delays to project

'For the right people/business it allows access to both funding and help from people in the know. Also, the process itself really focuses your efforts.'

'The two grants I've received have been really beneficial to my business.'

'Can really help your project come to fruition quicker.'

'Definitely helped share the cost of a generational investment in the farm.'

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 just over 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 – 15% 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.
- **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 data⁹ **Figure 5.2** shows the average adjusted level of GVA, turnover and jobs within a beneficiary business¹⁰.

Figure 5.2: Mean Economic Shifts Across Businesses

Measure	2017	2018	2019	2020
GVA	£32,828	£26,656	£37,869	£58,367
Turnover	£95,927	£105,009	£120,271	£171,696
Jobs (FTEs)	1.8	1.8	1.9	2.3

On the assumption that the adjusted sample is representative, participant firms saw the increases shown in **Figure 5.3** over the period to 2020.

⁹ 13 cases, representing 15% of all beneficiaries.

¹⁰ The firms represented in the sample are larger than average, so to create a representative figure, adjustments were made to the raw data.

Figure 5.3: Gross Impact to 2020

Measure	Increase per firm	Gross increases in participants	Attributable to LEADER intervention
GVA	£35,539	£3,020,815	£1,812,489
Turnover	£75,769	£6,440,365	£3,864,219
Jobs (FTEs)	0.5	43	25.5

However, it is anticipated that further benefits will accrue¹¹, with, for example, a further 51.6 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
GVA	£4,013,064
Turnover	£8,555,835
Jobs (FTEs)	56.5

In addition to these benefits, standard economic impact modelling assumes 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 multipliers¹², resulting in the net additional economic impact by 2023 shown below.

Figure 5.5: Net Additional Impact to 2023

Measure	Impact
GVA	£5,618,289
Turnover	£16,256,087
Jobs (FTEs)	90.3

5.3 Social Value

5.3.1 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:

- 19 LAG meetings were held;
- 2 virtual meetings; and

¹¹ Subject to Covid-19 impact

¹² 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>

- 13 written procedures.

Allowing for preparation time, and that not all LAG Executive members would attend every meeting, it is estimated that this required c.865 hours of input. Using the National Lottery Heritage Fund figures¹³ at the higher (expert) level, this produces a proxy value of **£37,050** for this input, equivalent to c.0.15 FTEs¹⁴

5.3.2 Wellbeing Benefits

There are additional wellbeing benefits¹⁵ that arise from projects, specifically the cultural and heritage and rural services projects that have been supported, comprising:

- Susan's Farm, an educational centre based on a working farm;
- Nenthead Chapel, the fit out of a kitchen in a new extension to the Chapel;
- Warwick Bridge Corn Mill, equipping a social enterprise bakery.

Overall, the rural services projects are estimated to contribute **£311,753** social value, on the basis that every £1 of LEADER grant generated a further £2.50 of social value.

In addition, there are wider benefits arising from new activities generated through physical activities, for example through the Hadrian's Cycleway¹⁶, although the monetised benefit is restricted.

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 supported, with fewer community services supported, and a more active economic development focus.

¹³ <https://www.heritagefund.org.uk/discussions/how-calculate-volunteer-time>

¹⁴ On the basis that an FTE is a 10-year job

¹⁵ <https://www.kingsfund.org.uk/projects/improving-publics-health/strong-communities-wellbeing-and-resilience>

¹⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/509587/value-of-cycling.pdf

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 consulted 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

'Milk and beef prices fallen. Run a small anaerobic digestion plant and lucky to have a contract in place as earnings for others have fallen by half'

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

'There (have been) changes in collections or deliveries. 3% Price reduction on a global basis due to the closure of restaurants / cafes etc. It is anticipated that prices will revert when the crisis is resolved.'

Tourism

'We are still quite hopeful – it is still an attractive offer – we will need to build up the customer base when we can advertise. There are unique local features in the vicinity which should make for an attractive package.'

'Realistically not expecting to open until 2021. We cannot advertise until we accurately know when completion is due.'

'Tourist industry has been decimated – effect depends on level of debt.'

'The site is completely closed – even to touring caravans & motor homes...[it is] not connected with LEADER Grant.'

'Some risk in that clients tend to be elderly and vulnerable. However, there's possible benefit in that not many people are anticipated to go abroad/cruise for some considerable time and 'staycations' in luxurious accommodation may well be popular.'

Infrastructure

'Work has halted – [we were] previously subject to many changes including building regulations...Unforeseen delays including the removal of the building roof...Builders have not attended since February.'

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 c.5 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, 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:

'Application forms were very difficult to fill in and information required was perhaps too extensive'

In addition, programme data shows that 100 applicants in SBE withdrew their outline application while a further 16 withdrew their full application. While there is limited 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 29 successful applicants to the SBE programme who completed the evaluation survey, all made use of some form of support with 17 (61%) using support from the CCC EPT, with the remainder accessing 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 75% and 62% respectively. CCC EPT staff consulted by the evaluation team also highlighted the poor quality of some of the Outline Applications and Full Applications completed by some agents, although this was not the case across the board. 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 SBE therefore spoke highly of the support provided by CCC EPT staff through the application process:

'Thank you to the Leader team [CCC EPT] especially (x) who has been wholly supportive throughout and eased my stress levels where possible!'

'[CCC EPT] Support staff have been very good - willing to talk through issues and giving good guidance. Have been extremely helpful all the way through.'

'Just to say, thank you for the LEADER Grant and also to say [x of the CCC EPT] has been very supportive and given me excellent advice and guidance.'

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 SBE (£2,560) went through the exact same application process as the organisation that secured the largest grant (£130,600). 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:

'VERY time consuming, in spite of help from office you still need a 'degree in form filling'.'

This issue was also acknowledged by another unsuccessful applicant consulted:

'The application is far too difficult for small business and last time I applied I got through to the second round but I decided not to go forward as paper work far (too) complicated for the amount of funding and I did the project cheaper not grant funded.'

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.

Consultation with members of the CCC EPT team 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 SBE also highlighted the procurement related regulations as a considerable challenge:

'The application deadline was just after Christmas so it was very difficult to get quotes from tradesmen. I struggled to get the quote in on time. As a consequence, I had to rush and compromise the design.'

Again, while the approach works in principle its practical applications 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 the each individual quote during the Eligibility 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.**

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. However, only one Full Application was withdrawn by an SBE applicant due to match funding difficulties. It has been suggested by CCC EPT 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 one of the full applications submitted to SBE was 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 grounds of eligibility. 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, with more flexibility in the type and level of support being devolved to the LAG, rather than the RPA.

The constraints on what could be funded under the current programme were seen to have a significant impact on the SBE 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 SBE, 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.'

'[the allocation of] funding is determined by RPA rather than the LDS.'

Stakeholders with knowledge of earlier LEADER programmes are in agreement that the role of the LAG Executive has been diminished within the current programme, with the focus being on small business grants, rather than community-led local development.

Other LEADER groups confirmed the opinion that local determination was missing, even though it was thought it is 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. This points to a potentially important role for local animation and guidance to support the rural Cumbrian economy, with local participation and identification of issues having an important role in this.

In the words of two respondents:

'It is essential that local knowledge guides this type of rural support.'

'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 have suggested that the bottom-up community led local development (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 'Forestry Productivity' meant that certain equipment could not be funded under this LEADER priority and the 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. 22% of grants under this heading went to farms. 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	19%
Food and drink	2%
Manufacturing	26%
Other	33%
Retail	2%
Services	2%
Sports and recreation	14%
Total	100%

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 195 variations across 60 projects, an average of 3.3, with one project having 13 variations. This creates a significant amount of work for what are usually relatively minor amendments to projects. As a consequence, any successor project 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 considerable amount of work, with 48% withdrawing at Outline/Expression of Interest stage, and a significant amount of verification work required by the EPT at Eligibility and Completeness Review (ECR) 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 ECR and appraisals process took about five days due to quote checks, a concern also noted by the Cumbria team.

Collectively this highlights the potential need for a more simplified, proportional 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 and as such the programme has long played a key role in supporting rural communities and services through both capital and revenue funding. While this 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 programme's 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 Susan's Farm CIC, the economic focus precluded 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:

'Overall, incredibly positive.'

'We are quite delighted with our new building and have met some great people.'

'I'm glad it's there... it does make you think seriously about your project.'

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 in the area.

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

Project name:	Chimney Sheep Re-tooling
Business name:	Chimney Sheep Ltd
LEADER Priority:	Priority 2 – Support for micro and small businesses (non-agricultural) and farm diversification.
Measure:	Measure 6.4 – Farm and business development, support for investments on creation and development of non-agricultural activities.
Amount of grant:	£8,143.20
Intervention rate:	40%
Project focus:	Product improvement
Web:	https://www.chimneysheep.co.uk/

The Project

This project focused on retooling the components of the Chimney Sheep, a chimney draught excluder made of felted local Herdwick Wool. There is currently a limited market for this wool, with market prices as low as £0.15 a kilo, leading to the produce being destroyed. The product therefore makes a contribution to hard pressed hill sheep farms. The company collects the wool direct from farms, paying £0.65 a kilo, sending the wool to Austria for processing. It is currently tripling its production floor area and has ambitious growth targets.



The company had already been in receipt of LEADER support through the earlier scheme and sought grant funding to help improve the quality and durability of plastic components used for product handles and extensions. Building on the success of their original product and consumer demand the company had launched a number of larger sizes of the product. However, around 2% of these larger models failed due to issues with plastic components. This in turn led to some negative customer feedback which could have had a detrimental impact on product and business

reputation. The project therefore funded skilled engineering input for the simultaneous redesign and retooling of all ten plastic components within the product to ensure all products of all sizes are robust and reliable. This included stress-testing redesigned products, 3D printing, mould making and batch runs.

'It has been a positive experience. Being awarded the grant gives a psychological boost as well as a financial one. It's also good to meet other businesses that have benefited and compare experiences.'

Impact

Company employment growth has gone from 1.5 to 5 full time equivalents over the period 2017-2020, with turnover, wages and profit all trebling.

It is estimated that the LEADER funding was 10% additional, contributing to: 1.2 full time equivalent jobs; £70,000 turnover; and £20,000 gross value added; after multiplier effects.

'Support before and during the project is invaluable. The rigorous application process involves necessary scrutiny of business and future plans'

Project name:	Food and Farming Learning Centre
Business name:	Susan's Farm CIO
LEADER Priority:	Priority 4 – Provision of Rural Services
Measure:	6.4 – Support for investments on creation and development of non-agricultural activities.
Amount of grant:	£65,797
Intervention rate:	80%
Project focus:	Construction and fit out of learning centre
Web:	https://www.susansfarm.co.uk/

The Project

This project builds on the educational and care farming work that has developed at Susan's Farm over the last 10 years, through the work of the farm's owner, Susan Aglionby. As well as being an organic working farm, the charity provides:

- Educational visits for primary and secondary school pupils;
- Therapeutic activities for people with long term mental health issues; and
- Alternative provision for school pupils.



Ownership of Susan's Farm was transferred a Community Interest Company in 2015 and converted to a Charitable Incorporated Association (CIO) in 2019 to take its work forward. LEADER funding allowed the charity to move its educational operations out of a temporary structure which was no long fit for purpose into a purpose-built permanent Food and Farming Learning & Community Centre. Grant funding supported build costs and the associated fit-out, including kitchen equipment. The new centre therefore provides the charity with the space it needs to deliver its core services as well as providing kitchen space to enable commercial food preparation.

'There is a need for social funding, managed by those that understand the countryside. We have to safeguard rural communities'

'We are eternally grateful for grant – the support has been invaluable.'

Impact

The LEADER support expands and safeguards existing educational provision within the charity, which employs a Farm Manager, Educational Officer, and part-time cook. It is estimated that the LEADER support is 50% additional, contributing 1.8 full time equivalent jobs after multiplier effects, and increasing turnover by 30% (£37,000).



Over 300 schools and community visits to the farm and a further 2-4 care farming groups each week. During Covid-19 restrictions, the farm has 6 teenagers attending for alternative provision and 9 adults attending for Care farming. This makes a significant contribution to local wellbeing, providing services and opportunities to young people and at-risk adults who would otherwise place other demands on local services. The social value of this support is estimated at £80,000 a year. There are currently no school visits, although this would normally amount to 150 visits a year.

Also, University of Cumbria students have undertaken environmental projects on the farm and have been involved in looking at the wellbeing benefits that arise from the charity's activities.