

Lancashire Rural Futures

2002 - 2003 Programme Year

An Evaluation of Rural Development Activity

August 2003



Rural Innovation 
The Regeneration Business



**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

SCHEDULE OF CONTENTS

1	EXECUTIVE SUMMARY & conclusions	3
1.1	Concerns & Subsequent Recommendations	4
2	INTRODUCTION AND OVERVIEW	5
2.1	Lancashire Rural Futures.....	5
2.2	Rural Development Programme (NWDA).....	7
2.3	Rural Development Programme Objectives	8
2.4	Lancashire Rural Futures Activity 2002 - 2003	8
2.4.1	Facilitated Grant Awards.....	12
2.4.2	Facilitating and Supporting Planning Submissions.....	14
3	QUALITATIVE ANALYSIS.....	15
3.1	Clients	15
3.2	Programme Managers , Referrers and Partner Agencies.....	17
3.2.1	Private Sector Rural Development Advisors.....	20

**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

1 EXECUTIVE SUMMARY & CONCLUSIONS

Lancashire Rural Futures activity during the project year 2002 - 2003 has materially exceeded the expectations of the Rural Development Programme and other funders and demonstrated levels of delivery consistent with the new Lancashire Rural Recovery Action Plan.

Headline outputs from the Project Year are as follows:

- £2,236,000 inward investment created by rural development activity
- 115 new and safeguarded jobs
- 34 successful grant awards totalling £780,000 drawn down in the Project Year
- Responsible for 60% of successful RES applications in East Lancashire
- 28 successful planning submissions; 20 submissions in negotiation

Qualitative Research with Clients, Funding Programme Managers and Private Sector Advisors has consistently demonstrated that Lancashire Rural Futures activities have added value to each target group.

Q: Have the Client Businesses received Value from LRF?

A: The positive nature of the response, and assessment of overall activity clearly demonstrates that those clients that are supported by LRF right through a development project receive excellent value.

Q: Does LRF offer Value to the Funding Programmes?

A: LRF is demonstrably providing value for programme managers; both in terms of total spend and the efficiency of the application, appraisal and award processes. LRF maintains excellent relationships with grant awarding bodies and engages in liaison activity that is mutually beneficial. Its activity is supporting grant draw down in Lancashire and therefore contributing toward the counties eligibility for matched European Funding.

Q: Does LRF provide Value for Private Sector Advisors?

A: It appears that after initial concerns, those private sector advisors that have proactively sought to engage with LRF have established valuable complementary working relationships. LRF support rural development activity and make things happen; this provides more work for related advisors / service providers and supports a more vibrant market for professional services than in areas of more limited rural development activity.

The qualitative research has resulted in a consistently positive response, the LRF activity is clearly perceived to be making a difference and stimulating rural development activity:

'without LRF facilitation we would not have reached current levels of ERDP spending in Lancashire'

**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

'the value of the LRF facilitation service becomes even more apparent when considered from an area that does not have access to it; the gap in comparable provision is substantial'

'access to a broad range of skills within the team was superb - if they couldn't do it then they knew someone that could'

'took all the pain and hassle out of what could have been a very messy process'

1.1 Concerns & Subsequent Recommendations

The evaluation process and consultations raised issues and also some strategic concerns about the context and 'terms of engagement' of Lancashire Rural Futures. These have been carefully considered and recommendations put forward to address them as follows:

Recommendation One

It is recommended that consideration be given to allocating a proportion of the LRRAP measurable targets against LRF activity to support comparable evaluation.

Recommendation Two

It is recommended that the relevant programme managers (LRF and RPFS) seek to agree how best to ensure that their activities are complementary and that intelligence beneficial to promoting rural development is shared.

Recommendation Three

It is recommended that LRF prepare proposals to address the issue of integration with the wider business support network, and where possible set up protocols to support the positive transfer of client relationships at the relevant point of the development process.

Recommendation Four

It is recommended that LRF consider implementing a job cost recording process that will measure the actual cost in terms of advisor time, administrative time, overheads and direct costs against each case.

Recommendation Five

It is recommended that an evaluation is made of those Client businesses that have received grant awards to assess their progress with the development after the cessation of LRF facilitation, the outputs generated against business plan and the incidence of failure. This will provide measurable outputs to contribute towards the LRRAP and intelligence to support analysis of best value level of free support and 'hand holding'.

Recommendation Six

It is recommended that LRF consider how best to manage the development of relationships with private sector providers, both for development of the existing programme in East Lancashire and before any extension into other areas of the County.

**Rural Innovation
August 2003**

LANCASHIRE RURAL FUTURES AN EVALUATION OF 2002 - 2003 ACTIVITY FOR THE RURAL DEVELOPMENT PROGRAMME

2 INTRODUCTION AND OVERVIEW

2.1 Lancashire Rural Futures

Lancashire Rural futures began life under its original title of the Bowland Initiative. The Initiative was established in January 1999, as one of two national pilots tasked with testing integrated delivery of economic and environmental facilitation services to rural areas, principally based around farming communities. The key pilot objectives were to create the following;

- A partnership management structure covering agencies, landowners and farmers within the area
- Cross compliant linkages between business and the environment
- Specialist facilitation team, tasked with delivery of project targets

Funding under the pilot phase was through a combination of sources with European 5b and MAFF providing the majority. Funding was split between core facilitation costs and delegated capital and environmental grants to individual businesses. During the lifespan of the pilot, the largest problem was over demand for the service. As a result, delegated funding was quickly exhausted. Fortunately during the pilot period, mainstream funding for both business and the environment increased substantially. The pilot was therefore able to maintain its delivery rate through access to these mainstream sources.

By the end of the pilot, the project had directly assisted some 117 individual businesses with a further 156 receiving advice. Full details on the outputs delivered by the pilot can be found within the June 2002 Report within the Lancashire Rural Futures website.¹ The main strands of activity were:

- Facilitating and supporting funding applications for business development - a total of £1,050,049 was drawn down from a range of funding programmes
- Facilitating and supporting planning applications - a total of 51 planning submissions were undertaken
- Facilitating engagement with environmental schemes - a total of £1,087,129 was drawn down from a range of programmes and extensive environmental management activity delivered

The Bowland Initiative was established as a time limited pilot. Following consultation with both Farmers and Funding partners the decision was made to both continue and if possible extend the core facilitation service to cover a wider geographical area across Lancashire² as demonstrated by the map inserted below.

¹ www.forestofbowland.co.uk/reports.htm

² Consistent with the 5b Transitional & Objective Two Area boundary 2000 - 2006

LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME



Revenue funding to support the team was provided by the following agencies;

Lancashire County Council (6%)

District Councils (4%)

**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

Private Sector (12%)

English Nature (4%)

Environment Agency (4%)

Area of Outstanding Natural Beauty JAC (5%)

North West Development Agency / Rural Development Programme (32%)

European Objective Two (34%)

All individual project funding is provided through mainstream sources.

The facilitation service still operates in exactly the same way as under the pilot. The project team is split into business advisors, usually rural practice surveyors, and environmental advisors. All members of staff, no matter what their role, have a strong agricultural background. Each project is delivered by two assigned project officers, one business and one environmental.

2.2 Rural Development Programme (NWD)

The Rural Development Programme provided 32% of revenue funding to support the activities of Lancashire Rural Futures for the project year 1st April 2002 to 1st April 2003. Rural Innovation has been commissioned to evaluate that activity and to provide an independent appraisal in order to inform the Northwest Development Agency, funding partners and the Steering Group. This appraisal should assess the value delivered to:

- Customer Businesses
- The Rural Development Programme
- The NWD in terms of 'return on investment'

The appraisal has been carried out on both a quantitative and qualitative basis, and builds upon both the specific research and wider professional experience of rural business development, planning and diversification. Issues considered by the appraisal consultants include:

- The value for money offered by the activity
- The level of integration of the scheme into wider business support activity (both private and public), and
- The 'fit' of the scheme and its activity with Client needs

A methodology for the appraisal was agreed between Consultants, Programme Managers and funders; a copy is included as Appendix One.

Rural Innovation is an Economic Development Consultancy, specialising in the Rural Economy. The Evaluation team is the same that recently delivered a study into facilitation and countywide delivery of farm business support services for

LANCASHIRE RURAL FUTURES AN EVALUATION OF 2002 - 2003 ACTIVITY FOR THE RURAL DEVELOPMENT PROGRAMME

Lancashire Rural Partnership. Robert Hindle (Practice Principal) has lead the project supported by Julie Quantrell. Robert is a deeply experienced rural professional, having spent 15 years involved in the delivery of business support to rural SME's (including a wide range of farm diversification projects) and both strategic and operational consultancy to both public and private sector. Julie Quantrell is an experienced Farm Business Advisor; previously policy advisor with the NFU and an Agricultural Bank Manager with National Westminster.

In addition to Evaluation work recently undertaken for Lancashire Rural Partnership; other research and evaluation projects undertaken include the Audit of Rural Workspace for NWDA, An Evaluation of the Rural Planning Facilitation

Service Pilot Scheme for Northwest Development Agency and a Study to advise Cumbria County Council on the economic impact of changes to the town centre traffic management system in Kendal. More details of the consultancy, it's culture and project experience can be found at www.ruralinnovation.co.uk.

2.3 Rural Development Programme Objectives

The Rural Development Programme was a forerunner to the Lancashire Rural Recovery Action Plan that has been developed by the Lancashire Rural Partnership and the Northwest Development Agency in response to the challenge of regenerating the economy of rural Lancashire.³ It targeted the designated Rural Priority Area of Lancashire (Lancaster, Ribble Valley and Pendle) with the objective to support:

- New rural business start-ups in associated land based sectors
- Landbased income diversification by farm businesses
- Environmental technologies associated with the Landbased Sector

During the year 2001 - 2002 it provided total project funding of £208,640 on 35 projects.

These objectives were closely aligned to Bowland Initiative Pilot, thus the extension of the Scheme across a wider geographical area, including the Rural Priority Area, provided an excellent opportunity to support delivery of the Programme Objectives.

2.4 Lancashire Rural Futures Activity 2002 - 2003

The Rural Development Programme agreed to form part of the funding mix to support the newly branded Lancashire Rural Futures Programme with a sum equal to 32% of operating costs; for the subject period (April 2002 - March 2003) this equated to £124,280.

RDP and other funders agreed quantitative targets for activity with Lancashire Rural Futures for the 2002 - 2003 year against which the performance of the scheme could be measured. These are set out below, together with the actual delivery figures.⁴

³ www.lancshireruralpartnership.gov.uk

⁴ Source: Rural Development Programme Monitoring Report RDP/0203/72 East Lancs Rural Initiative

**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

These figures show an excellent performance in quantitative terms; all headline targets have been exceeded, some by a factor of over 4 times. If the performance is applied solely to the Rural Priority Area, the over-performance is even greater.

Clearly with such levels of over performance, it is necessary to question whether the targets set were realistic. However, based upon the quantitative measures as defined, the performance of the Scheme has clearly exceeded all expectations.

It is interesting to note however that despite the significant over performance in the numbers of businesses (both new and existing) advised, performance in value of outputs achieved **per contact** is poorer than anticipated:

- Inward investment (1.33 to 1) - average level of Inward Investment achieved per contact £6,922 compared to the anticipated £24,588
- New Jobs Created (2.7 - 1) - average number of new jobs per contact 0.19 compared to the anticipated 0.34
- Jobs Safeguarded (3.5 - 1) - average number of jobs safeguarded per contact 0.16 compared to the anticipated 0.22

This may be instructive in planning future activity levels against targeted outputs.

**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

Headline Measured Outputs in Year April 2002 - March 2003	Planned		Actual	
	Project Area	RPA	Project Area	RPA
No. of Advice Schemes Formal contact and follow up by LRF advisor with individual businesses	68	22	323 (4.75)	136
Of which; New / Start Up Businesses Contact & support for any businesses / individual with plans for an enterprise that is 'new' in that it is: <ul style="list-style-type: none"> • Newly locating within Project Area • A brand new business / start-up • A clearly definable new enterprise from an existing business 	28	9	99 (3.5)	29
No. of Product Dev / Marketing Initiatives Actual new products developed and released (by line i.e. 7 new puddings from the same business equals 7 new products)	2	1	34	31
Value of Inward Investment From projects where grant / funding awards have been made; <ul style="list-style-type: none"> • Predicted sales from Year One of the business plan submitted within the successful grant application; plus • Actual grant received in the first year of the project 	£1,672k	£535k	£2,236k (1.33)	£749k
No. of New Jobs Created From projects where grant / funding awards have been made; New jobs as included in the lifetime of the business plan submitted within the successful grant application excluding any existing staff converting to a new role	23	7	62 (2.7)	53
No. of Jobs Safeguarded From projects where grant / funding awards have been made; 1 job safeguarded for each additional £5,000 of income (either from environmental schemes or diversification projects)	15	5	53 (3.5)	21

FIGURE TWO: HEADLINE MEASURED OUTPUTS

**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

Given the large variance from targeted to actual performance, it is difficult to fully assess the relative value of the measured outputs provided by the LRF performance in quantitative terms without reference to other targets.

The Evaluation Team has therefore, where possible, compared the actual measured outputs⁵ against targets set down for similar measured outputs within the Lancashire Rural Recovery Action Plan and NWDA's Rural Renaissance.

The outcome is set out below:

Annual Monitoring Indicators	LRF Outputs 02 - 03	LRRAP Targets	Rural Renaissance Targets for Project Period
No. of farm businesses assisted through diversification support	224	SO3 - 100	
No. of cases supported via Planning Facilitation Service		SO3 - 50	
No. of farm operations assisted to develop Primary agricultural business		SO4 - 100	
Number / Proportion of farm businesses Acting on advice		SO4 - 70	
Number of Applicants assisted / facilitated To secure funding support	34	SO4 - 100	
Jobs Created	62	SO3 - 100 SO4 - 15 <u>SO6 - 10</u> 125	SO3 - 1885 (377 pa) <u>SO4 - 447 ((90 pa)</u> 2,332 (466 pa)
Jobs Safeguarded	53	SO3 - 100 SO4 - 35 <u>SO6 - 15</u> 150	SO3 - 1995 (399 pa) <u>SO4 - 511 (102 pa)</u> 2,506 (501 pa)

SOURCE LRRAP & RURAL RENAISSANCE

This comparison illustrates the relative effectiveness of the LRF activity; between 30% and 50% delivery against target for the Lancashire Plan and between 10% and 13% against regional targets. LRF is not the only agency of those that make up the Lancashire Rural Partnership operating within it's area, and therefore cannot be expected to be solely responsible for the targeted outputs.

It does however take the lead on activity within Strategic Objectives 3 and 6 in its area of operation. Comparison the key jobs related targets for these two Strategic Objectives

⁵ As defined by LRF within the RDP Monitoring Report

**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

show delivery of approximately half the Countywide targets for Year One of the Lancashire Rural Recovery Plan. Whilst this comparison cannot be considered to be

completely like for like, it does provide an indication that the levels of measurable outputs delivered by LRF during the subject period have at least met if not exceeded 'par'. Accurate comparison could be made in the future if an allocation of the LRRAP measurable targets were allocated against LRF activity.

Recommendation One

It is recommended that consideration be given to allocating a proportion of the LRRAP measurable targets against LRF activity to support comparable evaluation.

Can these outputs be considered to represent value for money for funders? Do they provide an acceptable return on investment?

The total revenue cost of Lancashire Rural Futures⁶ is recorded in the RDP Monitoring Report as £388,374; the relative cost of outputs⁷ can therefore be computed as follows:

Output Against Scheme Cost	2002 - 2003
Scheme Cost per Business Advised	£1,200
Scheme Cost per New Business Advised	£3,925
Scheme Cost Per New Job	£6,265
Scheme Cost Per Safeguarded Job	£7,328
£'s Grant / Funding Awarded per £1000 Scheme Cost	£2,000
£'s Inward Investment per £1000 Scheme Cost	£6,600

This is of course a crude assessment and sets the whole project cost against each output; in reality the cost of each output is much lower as the teams activity contributes to a range of outputs. It is however useful in so far as it demonstrates the relative 'cost' of each type of output.

It is difficult to fully address whether these figures demonstrate that LRF provides value for money without reference to total project costs of other farm and rural business support schemes. It is interesting to note however that the 200 jobs (new and safeguarded) targeted with SO3 of the LRRAP are budgeted to 'cost' £5,480 (total annual SO cost / number of new and safeguarded jobs) and the number of farm businesses assisted through diversification support £4,215 each.

2.4.1 Facilitated Grant Awards

A core part of LRF activity is to facilitate and support applications from farm and rural businesses for business development and environmental grant funding. Indeed the some of the measured outputs considered above derive from the business plans that generate the successful grant award. Figures provided by Lancashire Rural Futures show that 34 grant

⁶ Excluding rent and rates

⁷ Allocating total project cost against each output

LANCASHIRE RURAL FUTURES AN EVALUATION OF 2002 - 2003 ACTIVITY FOR THE RURAL DEVELOPMENT PROGRAMME

awards were achieved during the subject period totalling £781,345⁸. This funding is derived from a range of business development and environmental grant schemes including:

- Single Regeneration Budget
- NWDA Rural Workspace and Small Buildings Grant Scheme
- Rural Enterprise Scheme
- Countryside Stewardship Scheme
- East Lancashire Woodlands
- Woodland Grant Scheme
- DEFRA Waste Management Grant

80% of grant awards have been from business development schemes, 20% from environmental. It is interesting to contrast this with the proportional activity within the Bowland Pilot; 47% business development / 53% environmental although this re-alignment of activity is not surprising considering that the Pilot focused on the Area of Outstanding Natural Beauty, and that there had been very limited pro-active promotion of environmental schemes to farm businesses prior to the Bowland Initiative.⁹

The outcome shows a material level of business development activity with some continued linkage to environmental activity; 23% of applications received both business development and environmental awards. Projects dealt with have consistently been substantial; the average level of business development award is £33,500 and include a range of activity including:

- Conversion of redundant buildings to rural workspace
- Open Farm Visitor Centre
- Caravan Site
- Home Produced Pork Products
- Product Development for Farmhouse Fayre

Figures from DEFRA's Rural Development Service show that LRF was responsible for 67% of the successful RES applications in Lancashire in the subject period. A single award in excess of £0.6 million massively affects the total value of awards. When this is excluded from the sums, LRF applications equate to 60% of the East Lancashire total and 35% of the total awards for Lancashire. It is interesting to note that there were 12 successful applications from East Lancashire compared to 1 from West Lancashire.

⁸ Includes only Year One spend for environmental schemes

⁹ Anecdotal evidence suggests that the reason for this relates to limited resources within Programme Management organisations and very limited financial viability for the private advisory sector to facilitate applications

**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

2.4.2 Facilitating and Supporting Planning Submissions

LRF engagement with planning activity during 2002 - 2003 is set out below:

- Planning Approvals Achieved - 28
- Building Regulation Approvals - 10
- Planning Submissions in Negotiation - 30
- Planning Refusals - 1
- Planning Appeals underway - 1

A breakdown of planning consents by sector is as follows:

Rural Workspace	Tourism	Processing	Livery	Retail	Other
7	5	4	3	4	5
25%	18%	14%	11%	14%	18%

Planning is a key part of the rural development process, and can often act as a constraint. This issue was considered in detail in the paper prepared by Lancaster University for NWDA¹⁰, which concluded that there was a need for an integrated approach to sustainable rural diversification and development that recognises the significant influence of planning policies and practice. The report made specific recommendations including:

- Integrate land use planning advice and assistance into wider rural and farm business support services - Cumbria FarmLink, Bowland Initiative / Lancashire Rural Futures, FBAS and DEFRA Planning Service
- Involvement of a specialist Planning Advisor to assist in the formulation and appraisal of a proposal in order to meet business and planning objectives
- Support positive pre-application consultations with local planning authorities and promote positive working relationships between applicant and planner

Many grant schemes (particularly those within the England Rural Development Programme) require businesses to obtain a relevant planning consent before any application for development funding can be made. The Rural Planning Facilitation Service brought forward by the Northwest Development Agency sought to support the applicant by providing a specialist planning advisor to assess proposals and carryout vital pre-application consultations with the development control case officer. This approach has proven extremely valuable, and the scheme is now available across the North West Region.

LRF includes the facilitation and support to develop planning applications as a key part of its overall approach to a business development project. This ensures integration between commercial, funding, environmental and cultural issues and continuity throughout the project.

¹⁰ Planning and Facilitation of Sustainable Rural Development; December 2000, Crawshaw C

LANCASHIRE RURAL FUTURES AN EVALUATION OF 2002 - 2003 ACTIVITY FOR THE RURAL DEVELOPMENT PROGRAMME

This holistic approach covers the specific services offered by the Rural Planning Facilitation Service. In some instances specialist planning advisors are included in the project team; in these cases 50% of their cost is subsidised by LRF funding.

Where the services provided by the private advisors match those that are available under the Rural Planning Facilitation Service, it is arguable that they could have been secured more 'cost effectively' through that scheme.

This may not necessarily be the case however as the availability of the RPFS advisor may not meet the project timetable. Due to inevitable constraints on capacity, the use of an RPFS advisor on LRF projects (where an alternative approach is possible) may disadvantage businesses located outside the LRF area that do not have access to LRF facilitation services.

It is too simplistic therefore to seek RPFS involvement in LRF planning facilitation activity. It is important however that both sets of Programme Managers are mindful of the need to integrate delivery where possible, ensure that duplication is avoided (planning facilitation work funded once should not be repeated) and wherever possible share examples of good practice. The panel of RPFS Planning Advisors is an excellent forum in which to share case studies, precedent and explore variations of approach from one district to another. LRF could add value to this intelligence gathering activity.

Recommendation Two

It is recommended that the relevant programme managers seek to agree how best to ensure that their activities are complementary and that intelligence beneficial to promoting rural development is shared.

3 QUALITATIVE ANALYSIS

The agreed methodology included qualitative analysis with key groups:

- Clients
- Relevant Funding Programme Managers, Referrers and Partner Agencies
- Private Sector Rural Development Practitioners

This research was carried out by a combination of meetings, one to one interviews and telephone interviews between late June and late July 2003. The outcome of the consultation is set out below; distinction is made in the text between reported comments from consultees and any analysis or comment by the Evaluation Team.

3.1 Clients

Interviews were held with 5 of the 34 businesses (15%) that had engaged with the business development process with LRF through to grant and / or planning applications. A summary of those interviews is included as Appendix X.

The projects mirror the full range of rural development activity and between them have created 10 full time and 2 part time jobs thus far.

The comments of the clients are consistent, and whilst some clearly place greater 'cash' value on LRF's activities than others, there are common themes:

**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

- The continuity of engagement throughout the project was important
- The facilitation was critical to accessing the available but complex funding programmes
- The engagement of LRF throughout the process supported the rural development activity in other intangible ways; gave the confidence to keep

going, helped approaching the bank for finance, understood what was required to be successful, shared the exposure

The outcome of consultation with clients was extremely positive and is supported by anecdotal evidence gathered by the project team from other businesses that have engaged with LRF.

It is interesting to note that some clients commented upon the shift in emphasis away from environmental activity in the subject period. This is consistent with the levels of grants awarded (see above) and confirms that the transition from Bowland Initiative to LRF has been marked by an increased focus on business development activity.

Q: Have the Client Businesses received Value from LRF?

A: The positive nature of the response, and assessment of overall activity clearly demonstrates that those clients that are supported by LRF right through a development project receive excellent value.

The proportion of total contacts that result in this level of facilitation equates to just over 10% of all businesses advised. Given the long lead in to many rural development projects, some of these contacts will bring forward detailed facilitation activity in current and perhaps even future project years. Equally, some of the clients supported in detail during the subject period will have resulted from initial contact in previous years.

It is perhaps worth considering whether a 'hit rate' of 1 in 10 contacts developed into full facilitation is consistent with the objectives of the programme? The outputs can be seen to be 'above par' when measured against comparable rural development activity. Other questions arising that the Evaluation Team has considered include:

Q: What happens to the contacts that do not lead to material projects? Are they passed on to other parts of the rural business support system?

A: Integration with the mainstream farm business and business support sector appears to be limited (see comments in Referrers and Partner Agencies)

Q: Is the level of support necessary? Would the client businesses not have achieved the development in due course without such strong intervention?

A: Perhaps; comments from the clients interviewed vary. Some would either never have got started or given up, others feel that they would have got there in the end. Some

**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

businesses with perfectly valid and valuable rural development plans clearly do need substantial support to deliver the potential outputs.

Q: Is it realistic for the facilitation to be completely free?

A: The level of support available at no cost is unprecedented in the North West region outside LRF. Can it really be the case that businesses in the LRF area are any less able to contribute toward the cost than those outside? Presumably not. This is probably more a question of scale; initial contact and facilitation up to a point clearly needs to be provided free of charge in order to stimulate rural development activity - only 1 in 10 contacts leads to a material project, a financial constraint on access will certainly reduce the available number of development projects.

Whether detailed support including market research, preparation of business plans, negotiating finance and training should all be provided free of charge is a different question. Would a requirement to contribute to costs prejudice the development? Would the funds released produce any additional rural development? It is very difficult to quantify these issues without direct comparison with an alternate approach.

Q: Does the level of support offered help the client businesses towards 'self reliance' or might it sustain the dependency culture?

A: There must clearly be a concern that businesses receiving such substantial support will lose ownership of the project and so fail in application and operation. It is currently too early to assess this by evaluating actual development and subsequent performance of LRF supported projects; it may well be instructive to do so over the next 12 - 24 months.

3.2 Programme Managers , Referrers and Partner Agencies

Meetings and interviews were held with officers from:

- DEFRA Rural Development Service (RDS)
- Northwest Development Agency (Rural Workspace)
- RSPB
- English Nature
- Business Link East Lancashire
- Business Link Lancashire North & West
- Myerscough Rural Business Centre
- Ribble Valley District Council Planning Department

Consultations with Programme Managers of funding programmes focused upon the value that LRF delivered to the process of accessibility, application, validation and award and therefore to the overall funding and development programme.

The response was extremely positive and comments consistent (at some times overlapping); a summary of relevant comment is set out below, it is not attributed:

**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

- LRF submitted 27 of 60 Countryside Stewardship applications for the year ending April 2003 (90% of applications from East Lancashire)
- There has been demonstrably less linkage between business and environmental packages
- LRF applications are very thorough; the pre-application consultations save material time for the RDS assessors in processing applications that are 'right first time'
- LRF question parameters, rules and eligibility which enables proposals to come forward that would otherwise be likely to fail; as facilitators they can do this where commercially it cannot be justified
- LRF delivers Common Land into CSS; this is of high value to RDS and requires complex facilitation of large groups. This would not be achievable in the private sector due to cost constraints
- LRF continual engagement with funding programme managers allows them to match proposals to funding far better than any individual
- Pre application consultation is thorough and ensures an application that is 'right first time' thus saving time and resource in appraisal and processing
- Regular engagement between LRF and funding programme managers ensures that supporting documentation, business plans and market research is prepared in accordance with scheme requirements
- LRF submit consistent, good quality RES applications. Their pre-application advice and facilitation adds value to ERDP and Client
- Without LRF facilitation current levels of ERDP grant spend in Lancashire would not be achieved
- LRF provide a single point of access to programme funding in East Lancashire; their facilitation process allows parameters to be stretched and rules challenged, thus increasing eligibility and supporting higher levels of rural development
- Concerns were expressed about the cost of facilitation, and the relative value for money; records should be kept that identified the actual cost of facilitation per project
- Concern was expressed about the 'fine line' between facilitation and free private sector consultancy and that too much 'hand holding' could reduce clients ownership of a project and so ability to deliver
- LRF are very effective in securing funds and planning consents; they are less effective at passing either information or client businesses back into the mainstream business support system
- LRF challenge the response of Development Control Officers to many of their planning applications; they can be inflexible and persist with unsuitable applications

Q: Does LRF offer Value to the Funding Programmes?

A: LRF is demonstrably providing value for programme managers; both in terms of total spend and the efficiency of the application, appraisal and award processes. LRF maintains excellent relationships with grant awarding bodies and engages in liaison activity that is mutually beneficial. Its activity is supporting grant draw down in Lancashire and therefore contributing toward the counties eligibility for matched European Funding.

**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

Consistent concerns raised by Programme Managers, Referrers and Partner Agencies relate not to the performance of LRF's core activity, but to matters of integration with the wider public sector business support community (farm and non farm) and strategic issues relating to cost of delivery and the policy of free provision / lack of common geographical access to this level of support.

These issues are beyond the operational context of the Scheme.

It is considered by Programme Managers that the issue of integration with the wider business support network will be addressed, at least in part, by the proposals for a Countywide Facilitation Service in Lancashire and the ongoing operation of the Lancashire Rural Partnership. It is clearly important however that all efforts are made by LRF to:

- Provide regular activity reports to partner agencies in East Lancashire such as Business Link East Lancashire
- Signpost those whom they cannot help in the right direction
- Positively manage the transfer of client relationships from LRF to mainstream business support Business Advisors once the rural development facilitation process is completed

Recommendation Three

It is recommended that LRF prepare proposals to address the issue of integration with the wider business support network, and where possible set up protocols to support the positive transfer of client relationships at the relevant point of the development process.

The strategic questions relating to cost per project and the provision of free advice should be considered in the overall context of the Lancashire Rural Recovery Plan and the proposal for a Countywide Facilitation Service.

Recommendation Four

It is recommended that LRF consider implementing a job cost recording process that will measure the actual cost in terms of advisor time, administrative time, overheads and direct costs against each case.

Recommendation Five

It is recommended that an evaluation is made of those Client businesses that have received grant awards to assess their progress with the development after the cessation of LRF facilitation, the outputs generated against business plan and the incidence of failure. This will both provide measurable outputs to contribute towards the LRRAP and provide intelligence to support analysis of best value level of free support and 'hand holding'.

The concerns raised regarding persisting with inappropriate planning applications indicate a breakdown in relationship between LRF project officers and the Ribble Valley planning team. This clearly is not to the benefit of either party or LRF clients and should be

LANCASHIRE RURAL FUTURES AN EVALUATION OF 2002 - 2003 ACTIVITY FOR THE RURAL DEVELOPMENT PROGRAMME

urgently addressed. It is understood that steps are being taken by both parties to set up liaison meetings and exchange views in order to facilitate a partnership approach to the planning process.

3.2.1 Private Sector Rural Development Advisors

The Evaluation Team has consulted with a number of independent rural development advisors operating in the private sector. The attitude of these businesses towards LRF is very interesting; when the programme extended its activities outside the Bowland Pilot and increased focus on business development work there were clearly concerns that the activities of the scheme would prejudice private sector advisors by offering a competitive free service. Initially this concern was unfounded, due to the volume of work available. These concerns persisted however, especially when the number of in house advisors continued to expand.

The more pro-active of private sector providers sought to establish a working relationship with LRF, focussing on provision of complementary services. The remainder focused instead on delivering specialist services to their client base, and in some instances sought assistance from LRF to fill the gaps.

In many cases, LRF project officers have brought in and subsequently worked alongside specialist private consultants; including as part of the overall support package bearing 50% of the cost of these specialists. During the subject period a total of £171,400¹¹ was spent on individual private sector specialists contributing to LRF casework. 50% of this cost was borne by LRF funding, the remainder by the Client.

It is considered that an effective working relationship has now been established with LRF, and whilst this may have proven harder than might have been absolutely necessary, is now proving very worthwhile.

Advisors operating outside the LRF territory confirm that the lack of access to this type of facilitation service is a constraint on rural development projects. The lack of a single point of contact, holistic approach and no real understanding of the issues affecting rural businesses act as a material constraint to development. Views were expressed that the value provided by LRF is readily apparent when viewed from an area that does not have access to comparable services. The gap in provision outside the LRF area is substantial.

Q: Does LRF provide Value for Private Sector Advisors?

A: It appears that after initial concerns, those private sector advisors that have proactively sought to engage with LRF have established valuable complementary working relationships. LRF support rural development activity and make things happen; this provides more work for related advisors / service providers and supports a more vibrant market for professional services than in areas of more limited rural development activity.

¹¹ Source: Lancashire Rural Futures

**LANCASHIRE RURAL FUTURES
AN EVALUATION OF 2002 - 2003 ACTIVITY
FOR THE RURAL DEVELOPMENT PROGRAMME**

During the subject period, £171,400 was spent by LRF subsidising specialist professional services.

It is clear however that private providers have reasonable concerns about the extent of free service delivery by LRF. It is important that LRF seeks to positively engage with active private sector providers and put in place complementary working arrangements wherever possible. This will be extremely important if the proposed Countywide Facilitation Service is approved and results in an increase in business development support activity in areas of the county not currently covered by LRF.

Recommendation Six

It is recommended that LRF consider how best to manage the development of relationships with private sector providers, both for development of the existing programme in East Lancashire and before any extension into other areas of the County.