



Live & Work Rural Programme: Interim Evaluation

The Peak District National Park Authority

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The Peak District National Park Authority

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GHK Consulting

in association with

Land Use Consultants

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Executive Summary

GHK and Land Use Consultants (LUC) were commissioned jointly by the Peak District National Park Authority in December 2010 to provide an independent assessment of the impact of the Live & Work Rural Programme (L&WR). In developing our key findings, we have considered the following questions:

What has been the impact of L&WR to date?

L&WR was established in February 2009 and will run until March 2012. It has a total budget of £1.253 million, of which £849,000 had been allocated to the end of Year 2 (2010-11). It has already achieved 3 of its 19 output targets and just 4 are significantly behind target (i.e. defined as less than 25 per cent achieved at the programme midpoint). For the most part these outputs are relatively small and are considered achievable as the programme progresses. Levels of satisfaction, expressed by programme beneficiaries, are high across all areas of activity.

Our aim has been to produce value for money measures which compare the total benefit of the programme against its total cost. This involves using interviews with programme beneficiaries to estimate the contribution of L&WR to the local economy through its impact on Gross Value Added (GVA), which arises from the jobs created and safeguarded.¹ Within the Peak District National Park, the support provided through L&WR has (to date):

- created a total of 21 net additional businesses and safeguarded a further 8 firms;
- created a total of 28 net additional jobs and safeguarded a further 13 existing jobs; and,
- generated/safeguarded a net additional £613,200 worth of annual GVA.

Overall, L&WR has resulted in the creation/safeguarding of £1.33 of net additional GVA per £1 of expenditure. In considering the overall impact of L&WR it is important to consider the extent to which the benefits generated will persist over time (i.e. where each activity has built the capacity of the individual or organisation to sustain or continue to achieve further benefits). Taking this into account, we estimate that the total GVA created or safeguarded in the Peak District National Park will amount to up to £4.8 million over ten years (or £5.56 of additional GVA per £1 of expenditure).

Of course, the objectives of L&WR extend beyond economic impacts. The Peak District National Park Authority and its partners felt there was a need for community activity and business animation and support to be delivered with an environmental focus. Our interviews with delivery partners and other stakeholders have revealed widespread support for the holistic nature of L&WR and the aim to promote more sustainable communities and businesses. We found evidence that businesses are increasingly using the National Park as an asset, improving contact and relations with other businesses, thus cascading the 'lessons learnt'. This is leading to the more sustainable use of natural resources and the conservation of the built and natural environment.

Local communities have also benefitted through an enhanced profile (driven through involvement in national and local schemes and competitions) and knowledge of networks of support and funding opportunities. Indeed, we found the local communities who had received support were overwhelmingly positive about L&WR, suggesting that they would not have been able to receive a similar level of support elsewhere. Only one community felt that they would have undertaken the same activity without the support made available but they still stated that support had been 'very helpful'

The most significant strategic impact of L&WR has been a reduction in duplication and the promotion of innovation in the delivery of services to businesses and communities. For example, the support provided by Business Link is complemented by L&WR (we found a high level of referral to and from Business Link), which is tailored towards the requirements of early stage entrepreneurs and the challenges they face in establishing themselves in a rural setting. The L&WR grants have been designed to complement the LEADER grants and there is no duplication. One stakeholder noted that the L&WR grant is the 'little brother' of the LEADER grants and provides natural progression for businesses as they seek to grow and develop business ideas.

¹ Two spatial units of analysis have been used throughout this economic impact assessment – the Peak District National Park and the East Midlands region

And what factors should influence future programme development and delivery

There have been significant changes to the delivery mechanisms available to promote economic development and regeneration since L&WR was established. *emda* is expected to be abolished by March 2012 and a skeleton staff will be in place from the autumn of 2011. Significant aspects of sub-national economic development and business support will no longer be delivered at the regional level. Local Enterprise Partnerships (LEPs) have been established to provide strategic leadership in their areas. They are expected to set out key investment priorities, coordinate proposals for funding and support high growth businesses. At the same time, and following the General Election in May 2010, the Government announced significant reductions in public spending, including a 29% cut in Defra's funding.

This leaves the Peak District National Park Authority and its partners with a significant challenge if it is to maintain a similar level of support for communities and businesses, as traditional sources of funding (notably *emda*'s Single Programme) are no longer available. As part of the development of the interim evaluation, through a discussion paper, we 'painted a picture' of the rural business support and community renewal landscape of the future. This paper draws attention to the challenges and opportunities facing L&WR, and any subsequent programme, including:

- changes in models of delivery, the mainstreaming of rural business and community support (including the future abolition of Business Link) and devolved delivery and empowerment for local communities (including the 'Big Society');
- the renewed emphasis in national economic policy on rebalancing regional and local economies and a focus on city-led development policy; and,
- increasing competition for available funding and a requirement to evidence the short to medium term impact of funding in terms of net additional jobs and economic output.

Having presented a series of options, the interim evaluation highlights the need to:

- mainstream community support through civil society organisations and infrastructure bodies;
- increase understanding of the significant dependencies between the Peak District National Park and surrounding cities (e.g. through advocacy with LEPs and national Government); and,
- focus available resources on those activities that assist local firms to expand, creating new jobs and promoting opportunities for investment.

1 Introduction

1.1 Introduction

GHK Consulting (GHK), in association with Land Use Consultants (LUC), was commissioned by the Peak District National Park Authority (PDNPA) in December 2010 to undertake an evaluation of the Live & Work Rural Programme (L&WR). The evaluation was divided into two phases - an interim evaluation at the midpoint of the programme and a final evaluation to be undertaken as the programme finishes. This Final Report presents the results of the interim evaluation.

1.2 The Live & Work Rural Programme

The PDNPA has a long history of delivering projects that address their duty 'to foster the economic and social well-being' of their local communities. Seeking to build on the theory of sustainable development, which takes into account the environment, economy and people, numerous projects have nurtured the development of community cohesion and enterprise and made creative use of the high-quality environment as an economic driver. The New Environmental Economy (NEE) is one notable example of this approach. Running for six years, from 2002 to 2008, it was managed by the PDNPA and operated throughout the Peak District in an area defined by the National Park, the EU Objective 2 designation and the Rural Action Zone. The evaluation of the programme highlighted that NEE was:

genuinely ground breaking in many aspects of its work, both in terms of its integrated objectives (combining business support and environmental enhancement) and its way of working (through a series of linked projects funded and co-ordinated by a programme team).²

With a budget of £3.75m, the programme combined funding from a variety of regional, national and European sources to create a 'single pot' from which the component projects and individual businesses were funded.³ It supported a package of linked projects and schemes to encourage and support businesses to increase their profitability on the basis of their links to the environmental and cultural character of the Peak District. This was the first time that business support and environmental accreditation (the Environmental Quality Mark) had been integrated and delivered through a single programme. The independent evaluation of NEE verified its success in achieving the majority of the targets that were agreed with funders and made recommendations to build on its achievements. The report highlighted the need to address the availability of small grants and support start-up and young businesses. Keen to maintain and build on the momentum of activity within the Peak District, a bid was made for funding from the European Union's Interreg programme⁴, which had been a valuable tool to support activity in the Rural Action Zone. This was ultimately unsuccessful but negotiations continued with *emda* about the contribution that an integrated rural development programme could make to the achievement of regional and local economic objectives.

A successful bid for Single Programme funding was then made to *emda* and L&WR started in February 2009 (and will run until March 2012). It has a total budget of £1.253 million – which includes contributions from *emda* (£0.6m), the PDNPA (£0.46m), Peak District Destination Management Partnership, Derbyshire Economic Partnership, Natural England, the University of Derby, High Peak Borough Council, Derbyshire Dales District Council, Staffordshire Moorlands District Council, Peak Partners for Rural Action (Voluntary & Community) and the private sector through grant recipient contributions. The programme is managed by the PDNPA through a dedicated set of staff with experience of business support and community engagement. The continuation of activities initiated through NEE allowed for

² Land Use Consulting, Independent Evaluation of the Peak District New Environmental Economy Programme, Final Report to the Peak District National Park Authority September 2008, p.4

³ The programme was delivered in partnership and with funding from ERDF Objective 2, the PDNPA, Derby and Derbyshire Economic Partnership (DEP) and Natural England.

⁴ An initiative that aims to stimulate interregional cooperation in the European Union.

the retention of the majority of the programme team and the knowledge and experience they had gained. Acting on the recommendations of the evaluation of the NEE programme, L&WR seeks to provide support for both pre pre-start entrepreneurs and community renewal, complementing the services made available through Business Link and other local civil society initiatives and organisations. For the first time social, economic and environmental projects have been brought together within one programme. And, again, the Peak District's high quality environment provides a distinctive component of the programme, as it is expected to be a key driver of improvements to socio-economic conditions.

1.3 Interim evaluation aims and objectives

The interim evaluation of L&WR was expected to address four key evaluation objectives:

- To measure the impact of the of the programme upon individuals, businesses, networks and communities;
- To evaluate the management of the programme, including the relationship with other agencies, funders and deliverers;
- To take a 'forward look' for L&WR through till the scheduled end-date of the programme in March 2012; and,
- To make an assessment of the requirement for a future rural economy and community development programme in the Peak District National Park beyond March 2012.

Within these overall evaluation objectives were a set of specific research questions. These questions are summarised in Table 1.1.

Table 1.1 Interim evaluation objectives and questions

Evaluation objective	Evaluation questions
To measure the impact of the programme upon individuals, businesses, networks and communities	<ul style="list-style-type: none"> ▪ What have been the outputs and outcomes of the programme to date? ▪ To what extent has the programme supported businesses? ▪ What have been the indirect/ other impacts of the programme?
To evaluate the management of the programme, including the relationship with other agencies, funders and deliverers	<ul style="list-style-type: none"> ▪ How effective is the programme management structure? Which elements of the programme management are working well, and which are not? ▪ How effective are programme relationships with Business Link, LEADER, and Peak Partners for Rural Action? ▪ How effective is the management of the grant fund? ▪ Could programme objectives have been achieved in another way?
To take a 'forward look' for L&WR through till the scheduled end-date of the programme in March 2012	<ul style="list-style-type: none"> ▪ Are the current output/ outcome targets achievable within the study timetable? ▪ Are the output/ outcome targets appropriate, and do any new programme targets need to be added? ▪ Are there any recommended changes to the programme management and delivery, and should the relationship with partners be changed? ▪ Are there any recommendations for making existing networks more sustainable, and for making the programme as a whole more sustainable?
To make an assessment of the requirement for a future rural economy and community development programme in the Peak District National Park	<ul style="list-style-type: none"> ▪ What are the future delivery options for the programme, and what might the future programme look like? ▪ Which organisations would need to be involved and what would be their roles and responsibilities? ▪ What opportunities are there for the funding of any future programme?

1.4 The evaluation methodology

There were three key phases to the study:

Table 1.2 Evaluation Methodology

Inception and scoping	The study commenced with an inception meeting, followed by a scoping phase during which key programme documentation was reviewed by the study team.
Fieldwork and analysis of the results	<ul style="list-style-type: none"> ▪ <i>Fieldwork with programme managers and deliverers:</i> a total of 7 face-to-face and telephone interviews were undertaken with individuals responsible for the management and delivery of L&WR. This included representatives from the PDNPA, including the Delivery Champion, Lead Member for the Economy, the programme manager and officers (a full list of consultees is provided in Annex 1); ▪ <i>Fieldwork with other programme stakeholders:</i> a total of 17 telephone and face-to-face interviews were carried out with a range of other stakeholders who were connected with the programme in order to explore issues such as external perceptions of the initiative and the Strategic Added Value (SAV) achieved (see Section 4.4 for further details). Consultees included representatives from Business Link, <i>emda</i> and Derbyshire Economic Partnership; ▪ <i>Fieldwork with business beneficiaries:</i> Fieldwork was undertaken with businesses who have received sufficient support through the programme to be counted as an output (note that businesses could report against more than one output – see Section 4.1). The population consisted of a total of 162 businesses (as at December 2010). Businesses that had received a grant were given the option of a telephone interview, and 13 interviews were completed this way. All remaining businesses were sent a link to an online survey, or received a postal copy of the survey. A further 35 interviews were completed this way. In total, therefore, 49 business beneficiaries were interviewed, a response rate of 30 per cent (resulting in a confidence interval of +/- 12 per cent at a 95 per cent level of confidence). A copy of the business beneficiary survey instrument is provided in Annex 1; ▪ <i>Fieldwork with community organisation beneficiaries:</i> Fieldwork was undertaken with a sample of 8 community organisations that had received support through the L&WR (out of a population of 33 organisations, as at December 2010). Interviews were carried out by telephone, and a copy of the survey instrument is provided in Annex 3.
Reporting	Early findings from the study were presented and reviewed at a Programme Management Group meeting that was held on 16 February 2011. Following this meeting this Final Report was prepared and will be discussed at a study steering group meeting, after which a Final Report will be submitted.

1.5 The remainder of this report

The remainder of this report is structured as follows:

- Section 2 reviews the rationale and strategic context for L&WR, and presents a logic model for intervention;
- Section 3 analyses expenditure to date and reviews the activities delivered through the programme, including the views of participating businesses and community organisations on these activities;
- Section 4 analyses the outputs and the economic, social and environmental impacts achieved by the programme to date; and,
- Section 5 presents our conclusions and provides a set of recommendations for L&WR going forward.

Supporting material is included in the annexes to this report, as follows:

- Annex 1 presents a list of the stakeholders who were consulted for this study.

- Annex 2 provides a copy of the survey instrument that was used with business beneficiaries;
- Annex 3 provides a copy of the survey instrument that was used with community organisations; and,
- Annex 4 provides a copy of a discussion paper shared with the L&WR Programme Group.

2 Policy and Organisational Context

This section examines the policy and organisational context for L&WR. It considers the evolution in policy priorities at a regional and sub-regional level and summarises the drivers underpinning help to new and existing small and medium sized businesses and civil society organisations in policy documents.

2.1 Context

The East Midlands is the third most rural region in England. Almost 30% of the East Midlands population live in a rural area.⁵ This is ten percentage points higher than the England average, which is nearer 20%. In terms of land area, 88% of the East Midlands is classed as rural. Rural population growth in the East Midlands is faster than in any other region (8.7% between 1995 and 2005) and faster than in urban areas. The regional average was 5.2% for this period.

Rural areas have an older demographic profile than urban areas, especially in more remote rural areas; and the region's rural parishes have poorer access to services than the national average. Apparently favourable headline figures for health, education and crime hide the fact that rural parts of the region include some very deprived people and places. Exclusion on any combination of other criteria can be magnified by geographical isolation and remoteness, especially where transport options are limited or costly. Some remoter rural areas still show significant socio-economic and structural weaknesses. Those rural districts lowest on the economic productivity scale provide a focus for economic intervention to boost productivity.

The Peak District National Park (PDNP) spans four regions and, now, six Local Enterprise Partnerships (LEPs). The Peak District has a unique geography for any National Park. It has a large rural population within the sometimes remote Southern Pennines, characteristic of the remotest areas of England, but also sits close to some of the largest urban areas of the UK. Recent research commissioned by the PDNPA found that:⁶

- the population has experienced slight growth over recent years, rising 1.4% since 2001, slower than the wider East Midlands and England, and it exhibits a relatively elderly population;
- skills levels are estimated to be higher than those in the East Midlands and England, with a higher proportion of advanced level skills and a very low proportion of the population with no qualifications;
- around three quarters of the PDNP's businesses are micro businesses, employing less than five people;
- the largest employment sector is production-based industries followed by hotels and catering;
- entrepreneurial activity is strong and VAT registrations are considerably higher than the national average; and,
- overall levels of deprivation are much lower than the regional average although high property prices have created a barrier to home ownership for those on low and even average incomes.

Our wider review of the economic evidence base confirmed the significant role of small firms to the future prosperity of the PDNP.⁷ Rural businesses are dominated by the self-employed and small businesses. Since most new firms are also small firms, it is not surprising that rural areas have a higher incidence of new firm formation than urban areas. However existing evidence suggests that rural entrepreneurs show lower interest in expanding their

⁵ Defined by Defra as communities of less than 10,000 people

⁶ SQW (2008), Contribution of the Peak District National Park to the economy of the East Midlands

⁷ OECD Rural Policy Review (2011), p. 74-84

businesses than their urban counterparts. In terms of local economic development, it is generally recognised that the easiest way to expand employment and income opportunities in a local economy is by growing existing firms, rather than trying to attract firms from outside or create new local firms. Because the rural economy is highly dependent upon SMEs, this makes the reluctance of existing small business owners to expand their firms a potential impediment to growth. This reluctance is often based on the owners own personal satisfaction but also other factors such as:

- limited local market and difficulty in accessing external markets;
- shortage of skilled workers and a lack of financial capital;
- lack of public transport, which hinders access to service hubs; and,
- poor ICT infrastructure, which discourages knowledge-based industries from locating in rural areas.

In recent years, and notably in the aftermath of the flooding and foot and mouth disease incidents of 2007, the Government have sought to strengthen the resilience of rural economies. In 2008, the Commission for Rural Communities published a report⁸ which set out a package of proposals for coordinating government action in order to improve support for, and development of, people and enterprises in the rural business sector. Particular emphasis is placed on the need to:

- examine and overcome the causes of lower capital investment, poorer access to finance and lower funding for rural economic initiatives;
- address the special challenges and opportunities in sparse or remote rural areas; and,
- develop new forms of brokerage, networks and clusters to improve access to employee and business support programmes and share good practice.

Table 2.1 highlights these and other justifications for the existence of rural policy as a distinct set of policies and programmes and includes the relevant justification for funding and support in the PDNP.

2.2 Regional policy

The 2006 Regional Economic Strategy (RES), 'A Flourishing Region', outlined strategic goals to achieve improvements in regional productivity whilst promoting sustainability and equality. Improving rates of new business creation was identified as a key way in which regional productivity could be improved. *emda's* Corporate Plans (2005-08 and 2008-11) are closely aligned with the objectives and priorities of the RES. Supporting enterprise in disadvantaged areas is identified as a key priority. The focus of priority activities is more detailed, with Business Link and business support featuring strongly. In summary the main objectives are:

- Creating a climate within which entrepreneurs and world-class businesses can prosper:
 - encourage the creation of a supportive and nurturing environment for entrepreneurial activity
 - increase in the number of people considering going into business
 - improvement in the overall productivity of small firms
 - increase in the number of enterprises assisted by regional investment funds
 - providing better support and access to finance

⁸ Commission for Rural Communities, England's rural areas: steps to release their economic potential, 2008

Table 2.1 Justification for funding and support – Peak District

Justification for Rural Policy	Justification for Funding Business and Community Support in the Peak District National Park
The growth in the rural population largely comes from an influx of older people from urban areas, particularly retirees and commuters from urban areas. The rural population is ageing quite rapidly.	Demographic changes, with in-migration of older people and out-migration of younger people, leading to an increasingly elderly population (25 per cent of the population were aged above working age, compared to 19 per cent in the East Midlands region as a whole ⁹). Demographic and economic shifts have affected communities within the National Park, contributing problems of housing affordability, a decline in usage of local shops, and a loss of community facilities and amenities.
Commuters bring wealth to rural places, but this can lead to displacement of residents who cannot compete for the housing stock.	Whilst the overall economic position of the National Park is relatively healthy, this disguises what has been termed 'a two speed economy [with] a high proportion of skilled knowledge workers who are either self-employed or who commute out to well-paid jobs in the cities and towns, and the lower paid and skilled jobs within the park.
Small firms of various types – notably micro firms and sole proprietorships - account for the majority of employment and self employment in rural areas. There is very little employment in large firms in sparse rural areas.	There are relatively large numbers of micro businesses in the National Park (in 2007, 75 per cent of businesses were classed as micro enterprises (employing 0-5 people), compared to 71 per cent in the East Midlands as a whole) ¹⁰ . Micro businesses often face problems that larger firms do not, for instance when accessing finance. Their small size also means that they often do not have the resources or the time to invest in training or business development. Such businesses can also be 'lifestyle businesses', in that they do not intend to grow significantly and thus create jobs and opportunities.
Rural industries tend to be capital intensive and, as more firms are small, finance is largely restricted to borrowed funds from banks.	Levels of entrepreneurship in the National Park are relatively high ¹¹ . Nevertheless, it has been suggested that there are barriers to start-ups that are specific to rural areas (see Section 2.3), and that levels of new business creation in the National Park are lower than they could be.
Industries associated with rural areas have steadily declined. Natural resource based industries, which are almost exclusively found in rural areas, now account for a very small share of GDP and employment.	The economy of the PDNP continues to undergo a long-term process of structural change with the decline of traditional land-based activities (agriculture and quarrying) and the growth of service sector activities (tourism and hospitality). Whilst providing opportunities, the tourism sector is also often relatively poorly paid and seasonal (making such jobs comparatively unattractive and encouraging out-migration), and vulnerable to external shocks (e.g. foot and mouth disease).
Constrained public transport system (bus or rail service may exist but are almost always infrequent). Broadband is slow or unavailable.	In common with other rural areas, the National Park suffers from a relatively poor transport and ICT infrastructure. This affects the ability of businesses to access markets, and can contribute to social exclusion if people are unable to travel and thus access services.
Small firms account for the majority of employment. This may reflect the difficulty in getting planning approval for developing large parcels of land for business purposes.	As a National Park, the Peak District has relatively strict planning laws which both preserve the quality of the environment whilst also posing problems for businesses wishing to grow. A 2008 survey of 300 businesses in the National Park reported that 33 per cent of firms felt 'planning and development restrictions' to be a negative impact of their location (the single most common problem reported by survey respondents) ¹² .

⁹ SQW (November 2008) Contribution of the Peak District National Park to the economy of the East Midlands

¹⁰ *Ibid*, p.32

¹¹ *Ibid*, p.19

¹² SQW (November 2008) *Op cit*, p. 36

- building an enterprise society in which small firms thrive
- work across all age groups and sectors to develop an entrepreneurial culture
- Developing a strong culture of enterprise and innovation:
 - increase business performance by supporting the creation or attraction of new businesses
 - increase the numbers of new business start-ups
 - focus and support the development of cluster areas
 - provide more enterprise in disadvantaged communities
 - increase the number of businesses using business support services
 - having more female entrepreneurs
 - work with other partners to provide business support, particularly in areas of young enterprise, BME businesses, rural development, availability of finance

The RES embedded rural as a theme across all strategic priorities.¹³ Unlike the previous RES, there is no specific rural strand or budget to be reflected in the Corporate and Business Plans. The stated approach was now one of 'mainstreaming rural', in line with government policy.¹⁴ The intention was to develop policy and programmes to meet the needs of the entire region's businesses and communities irrespective of whether they have an urban or rural base. In practice, this means that:

- *emda* does not seek to spread its funding equally across all parts of the region – emphasis is placed on activities that seek to deliver the greatest impact or tackle specific geographic needs and challenges;
- all investments must, therefore, fit within agreed strategic priorities and be targeted appropriately across a range of spatial areas; and,
- to mainstream delivery of rural activities, the Agency considers the needs of rural communities and businesses in the context of all the Single Programme investments.¹⁵

This mainstreaming approach recognises that a standard offering will not work for rural any more than for urban areas. Flexible, tailored policies and solutions are required for all communities, where the distinctive character of particular places and areas determines the local offer. *emda*'s Rural Team works across the organisation in the development of policies, programmes and projects to ensure rural issues are appropriately considered at the earliest stage. Activities are 'rural proofed', as a means to ensure that the specific needs of rural communities - particularly the challenge of providing accessible services – is built into interventions.

In addition to ensuring that the correct mechanisms are in place to ensure that policies, programmes and projects are inclusive of rural communities and businesses, *emda* provides funding and support at the sub-regional level. Approximately one third of *emda* funding has been made available at this level in order to ensure that decisions on local investments are made at the correct spatial level and that the needs of local areas continue to be considered and addressed on an ongoing basis.

¹³ *emda* (2006) Regional Economic Strategy for the East Midlands 2006-2020: A Flourishing Region

¹⁴ This approach has been the subject of debate, with some concern expressed that mainstreaming may lead to rural circumstances effectively being ignored and resources available to address rural areas and needs being diminished. This issue was reflected in the East Midland Regional Assembly's 2007 scrutiny of rural development activity by *emda* and its partners. Their report acknowledges support amongst its consultees for the concept of 'mainstreaming', provided that policies and programmes are sufficiently sensitive to operate equally effectively in both urban and rural areas.

¹⁵ makes it impossible to disaggregate our investments by rural and urban classification

As a result, *emda*'s sub-regional partners have played a significant role in developing policy and delivering programmes in rural areas. Supporting documentation for L&WR indicates that, at the outset of the initiative, there were two other key policy drivers:

- The PDNPA: The statutory responsibilities of the National Park Authority primarily concern its role in conserving and enhancing the quality of the environment, but the Authority also has strategic goals in terms of promoting socio-economic well-being within the Peak District. The 2006 Management Plan published by the PDNPA¹⁶ identified two strategic goals of relevance to L&WR:
 - Communities and people: improving community cohesion and ensuring that communities are better able to shape their own futures. The goal commits the PDNPA to a range of community development activities, including village planning;
 - Economy: improving prosperity and developing a sustainable economy, including by capitalising on the special environment of the Peak District. The goal commits the PDNPA to a range of economic development activities, including business support.

- The Derbyshire Economic Partnership (DEP): DEP has a strategic role in terms of developing policy for the sub-region and committing funding (including *emda*'s single programme resources) to programmes and initiatives. In 2008, DEP published an Action Plan for the Peak District Rural Action Zone (RAZ)¹⁷ which provided a framework for funding commitment in the National Park. The Action Plan stressed a need to support sustainable economic development. The RAZ was awarded £2.4 million of Defra/ EU funding through the Rural Development Programme for England (RDPE), funds which were to be distributed through the LEADER approach (a bottom-up method of delivery based on Local Action Groups, who produce Local Development Strategies to guide their implementation). The Peak District Local Development Strategy¹⁸ included six strategic objectives which complement the goals of L&WR:¹⁹
 - Assisting the land based sector to improve economic viability through added-value initiatives and diversification into non agricultural activities;
 - Enabling new micro-enterprise activity and helping existing micro-enterprises to flourish;
 - Sustainable tourism development;
 - Rural heritage;
 - Rural skills development; and,
 - Improving access to key rural services.

When established, L&WR was closely aligned with key regional and sub-regional policy goals, primarily focussed on economic development (with a focus on enterprise), but also recognising the challenges faced by rural communities. For the PDNPA, L&WR met its goal to promote socio-economic well-being alongside its statutory responsibilities, and represented a continuation of previous environmental economy initiatives (e.g. NEE).

¹⁶ PDNPA (2006) 2006-11 Management Plan

¹⁷ Derby & Derbyshire Economic Partnership (2008a) Peak District Rural Action Zone Action Plan 2008-2011

¹⁸ Derby & Derbyshire Economic Partnership (2008b) "Raising the Game" Enhancing rural productivity and improving quality of life in the Peak District through Sustainable Micro-Enterprise Development

¹⁹ The Partnership's priorities for investment are established through a Sub-Regional Inward Investment Strategy

Conclusion 1: Sustainable Development Principles

L&WR is an innovative rural micro-business support and community renewal programme designed to complement and reinforce other services. It is based on the creative use of the high-quality environment as an economic driver, providing a 'bottom-up' approach which will actively involve businesses and communities in a wide range of activities guided by sound sustainable development principles. Through our research (see Section 4.2.2) we have found that over two-thirds of businesses stated they provided an environmental service through their business activity – either through utilisation of local products or resources, improving awareness of environmental matters to customers or directly through the development or sale of environmentally friendly products. Two-fifths of businesses provided a community service namely through the employment of local people or activity which directly benefits the community.

2.3 Programme aims and objectives

Based on the review of RES and programme business planning documents, this section presents an interpretation of the logic underpinning L&WR. The model, which is an analytical tool for the evaluation, traces the causal mechanisms through which activities and outputs are expected to impact on different aspects of the sub-regional economy.

The logic model reveals a typology of four interventions that are relevant to this evaluation:²⁰

- To carry out micro-business, local community and enterprise animation in order to identify, enhance and provide solutions within the context of the business support offer within the Peak District, including the creation of links between communities and businesses;
- To facilitate the development of business networks and inter-firm collaboration, focussing on key sectors such as local food;
- To further develop and expand the Peak District Environmental Quality Mark, and to improve environmental management practices within programme beneficiaries; and,
- To provide seed-corn finance to businesses and community organisations in order to support the development of entrepreneurial ideas.

The momentum established through NEE and other community engagement and planning projects were to be consolidated and new areas of activity brought forward. Actively promoting the involvement of businesses and communities, and working closely with Business Link, the new programme was expected to provide a 'seamless range of services to many businesses in the Peak District which are highly accessible and effective, leading to improved business confidence, effectiveness and robustness in the longer term'.²¹ These services were expected to make a contribution to the creation and preservation of employment and demonstrate how a holistic approach to business support and community renewal can promote vibrant and sustainable rural areas.²²

The general principle in project appraisal and evaluation is that government intervention is only necessary to:

- achieve economic objectives by addressing inefficiencies in the operation of markets, government and institutions; and/or.
- achieve an equity objective, such as local or regional regeneration.

²⁰ It is important to note here that not all the elements described can be quantified.

²¹ PDNPA, Live and Work Rural Programme Business Plan (2009), p.5

²² PDNPA (2009) *Op cit*, p. 4

Figure 2.1 Intervention logic for L&WR

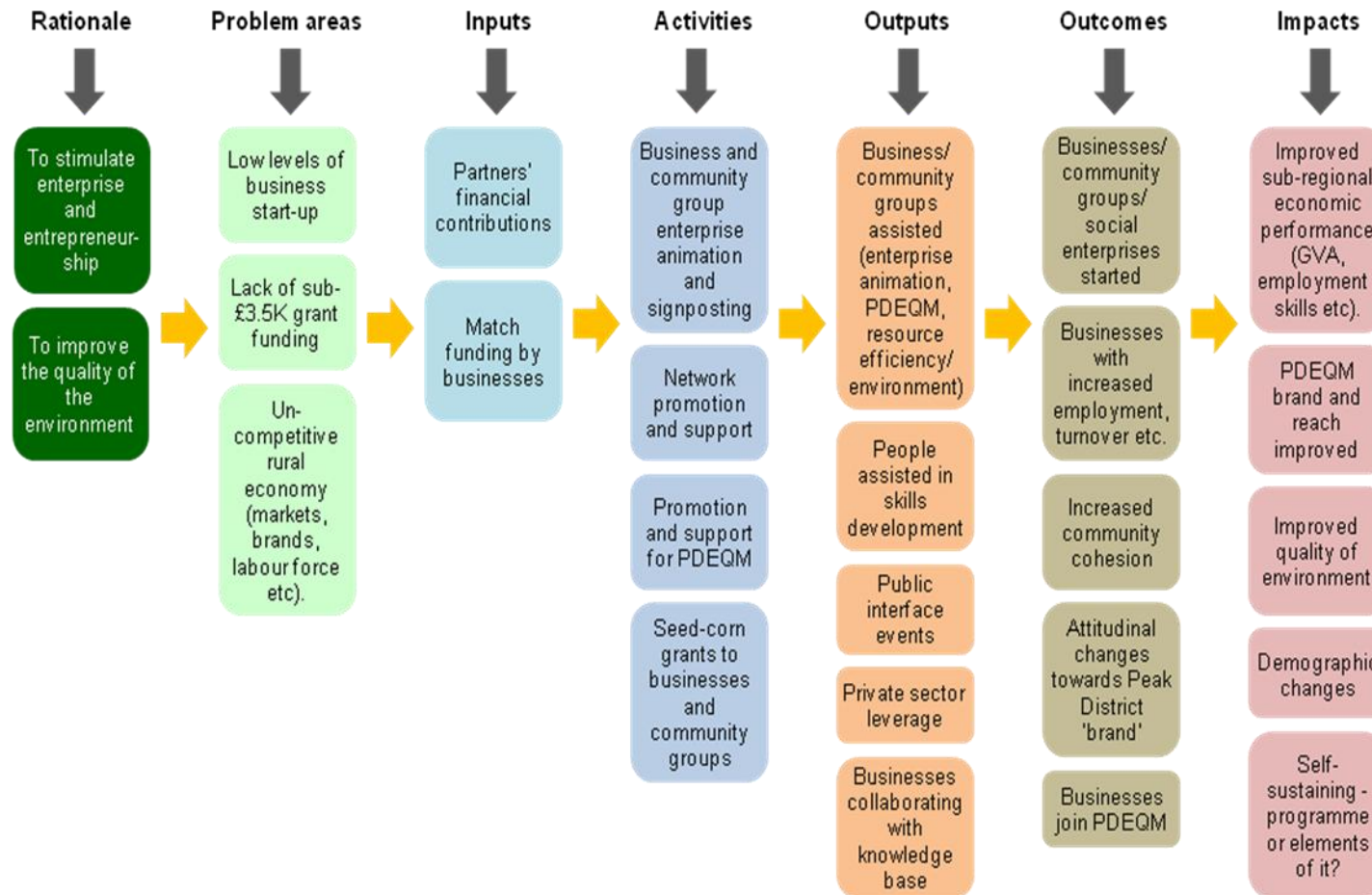


Table 2.2 Summary of Potential Rationale for Intervention

	Market Failure			Equity
	Public Goods	Externalities	Imperfect Information	
Enterprise animation and micro-business/ community support			✓ ✓ ✓	✓ ✓
	<p>Imperfect information (enterprise animation) and equity (community support): Providers and consumers of support do not have sufficient information about the other, which can lead to the inappropriate take-up of services. For instance, pre-starts may not be aware of the range of support services available, may not be in a position to assess what is good advice and what is bad advice, and may not be able to correctly price this information. Also, in terms of community support, no single organisation can be responsible or have knowledge of every aspect of community development, priorities are identified and projects co-produced with assistance and brokerage with other public service organisations.</p>			
Sustainable enterprise collaborations and networks		✓ ✓		✓
	<p>Externalities and equity: Where the provision of support to a single individual or company has a positive or negative impact on other businesses, the costs of which are not included in the initial transaction between provider and consumer. Externalities can be positive (e.g. a business start-up ‘demonstrates’ to others the feasibility of doing so), or they can be negative (e.g. the support provided to a start-up negatively affects others through the ‘poaching’ of staff). Networks have sought to tackle market failure by sharing information and knowledge of ‘what works’ across sectors and areas (including those that may be lagging behind economically), fostering a more equitable spread of enterprise and business growth across the Peak District.</p>			
Environmental support and accreditation		✓ ✓	✓ ✓	
	<p>Imperfect information and externalities: Increased participation in environmental accreditation, particularly where the return on investment is either unclear or insufficient, and setting standards for environmental management which can be promoted across the Peak District and with consumers. Also reducing environmental impacts that the market would not otherwise account for.</p>			
Business and community seed-corn grants	✓ ✓		✓ ✓	✓ ✓
	<p>Public goods and imperfect information: Where the return on investment of the provision of start-up support and finance is not sufficient for the private sector. These services can be provided free of charge (a public good) or at a rate that is not commercially viable (a mixed good). Also, providers are not fully aware of rural business needs for finance and support and may offer inappropriate support. A lack of understanding of needs may be particularly acute for non-traditional types of ‘business’, for instance not-for-profit organisations or social enterprises</p>			
<p>Note: For strength of market failure case, 1 tick = weak case, 2 ticks = partial case and 3 ticks = compelling case. No ticks = no case Source: Programme Review</p>				

Elected politicians often have a mandate from the electorate to intervene for social or equity reasons. Such interventions are based on the subjective decisions and judgements of accountable politicians or their representatives, but a market failure framework should still be used to inform decisions and to ensure the desired outcome is achieved in the most efficient and effective way.

The range of market failures that provide the rationale for intervention to support businesses in the Peak District are outlined in Table 2.2.

Conclusion 2: Market Failure Rationale

Market failures can occur in many different ways. In relation to L&WR the most common rationale for support is based on market failure linked to information failures, such as businesses (and investors) not having access to sufficient information to assess the benefits of support or investment. The rationale for several interventions is also linked to creating positive externalities within the businesses/areas that they support by stimulating new business start-ups, which would create positive impacts by diversifying the business base. It is also important to emphasise the significance of interventions that sought to address equity concerns, such as helping those in disadvantaged groups/areas to start-up businesses.

2.4 Key messages

Businesses in the Peak District often start up with little more than a basic idea and a passion for a business. The downside is often a lack of basic business knowledge to turn an idea into business activity. One-to-one advisors with local knowledge, including knowledge of the business support landscape and funding streams, can help businesses to focus their business activity and develop a more coherent structure for the business' development. Our interviews with stakeholders highlighted the need for 'handholding' activity at the pre-pre start up stage to ensure that businesses are addressing the correct issues and the business starts up 'on the right foot'. This activity plays a vital role in ensuring that start up businesses are able to survive on a long term basis; helping in part to drive the Peak District economy away from reliance on a small number of large employers and towards a more resilient economy.

L&WR was designed to streamline NEE and Peak District Rural Community Planning projects into one more coherent and systematic offer to the National Park's businesses and communities. The PDNPA and partners felt there was a need for community activity and business animation and support to be delivered with an environmental focus. For communities, support was to be made available to identify and tackle community issues and encourage people to use their skills for community action (including assisting communities to bid for funding to catalyse local projects). A holistic programme of support to businesses and communities was expected to promote more sustainable communities and businesses and alleviate some of the demographic pressures facing the National Park. The business case for the programme highlighted the market failure rationale for intervention, largely based on information failures facing individual enterprise level support, and comprehensively aligned it with national and sub-national policy agendas.

3 Expenditure, Activities and Delivery

This section sets out an analysis of expenditure, activities and outputs under L&WR through to the final quarter of 2010-11. This data will be updated to the end of 2011-12 in the final evaluation report. The purpose of this section is to outline where resources have been deployed, what activities have been supported and what outputs have resulted from these activities.

3.1 Expenditure analysis

The L&WR budget is £1.253m over the programme's duration; with a budget of £849,000 to the end of Year 2 (2010/11). Projections suggest that by the end of Year 2 the programme is on course to achieve its allocated budget, with only a slight overspend (based on current projects) of 1%. The table below provides a breakdown of target and project expenditure to date.

Table 3.1 Programme Expenditure – 2008/09 to 2010/11

Expenditure type	2008/09-2010/11		
	Target	Projected	% projected
Staff Salaries	£367,191	£411,965	112%
Overheads	£74,014	£94,565	128%
Consultants	£162,700	£159,706	98%
<i>including</i>			
<i>Training events</i>			£7,000
<i>Renewables fact sheets, environmental audits & foraging and local seed source fact sheets</i>			£8,000
<i>PPfRA</i>			£38,000
<i>Contribution for extending the PDNPAs residents survey</i>			£1,000
<i>EQM – Monitoring and validation</i>			£10,000
<i>EQM - Revision of EQM criteria and on line application process including "white labelled" website</i>			£10,000
<i>Pilot projects</i>			£31,000
<i>Food related projects including Food from the Peak District, the Great Peak District Fair, Farmers Markets</i>			£54,000
Travel	£13,500	£5,065	38%
Meetings	£14,600	£13,748	94%
Promotion and Publicity	£58,495	£38,393	66%
Business Grants	£150,000	£115,001	77%
Evaluation/ Audit	£8,500	£20,000	235%
Total Revenue	£849,000	£858,443	101%

Source: Programme monitoring and reporting

Key points to note are²³:

- The largest overspend would appear to be on evaluation/audit. This is due to the interim evaluation carrying more financial weight than was anticipated in the business plan, taking into account the need for the development of a future programme, compared to the final evaluation which will take place during Year 3.

²³ Gathered from Claim Forms submitted to *emda* by the PDNPA

- Staff salaries and overheads are larger than anticipated as funds were shifted from the consultancy budget line to the staff and overhead budget line, as PDNPA identified that they could deliver elements of the work more cost effectively with appropriately qualified and experienced staff.
- Business grant expenditure is lower than anticipated due to the programme's flexibility as to when businesses choose to make their claims for payment and businesses only utilising the fund where there is no other funding available.
- Promotion and publicity costs are lower due to using internal staff resources to design the L&WR and EQM leaflets and lower than anticipated print costs.

L&WR is delivered by a team of 5.5 FTEs as shown in Table 3.2.

Table 3.2 PDNPA Staff inputs into L&WR

Role	No. of FTE
Programme Delivery Manager – Suzanne Fletcher	0.5
Senior Officer – Lindsay Allen	1
Officers – Dan Yates, Adele Metcalfe, Faith Johnson	3
Administration – Lesley Rechert & Tracy Broomhead (job share)	1
Total	5.5

Source: PDNPA

L&WR subcontracts part of the community strand of activity to Peak Partners for Rural Action (PPfRA), a partnership of voluntary organisations who provide infrastructure support to civil society organisations²⁴. As part of this support, 111 days of staff time are budgeted for over the programme period as shown below, including 29 in kind days:

Table 3.3 PPfRA Inputs²⁵

Period	Staff time (days)	In kind contribution from PPfRA (days)	Total contribution
2009/10	23	22	45
2010/11	44	7	51
2011/12	15	0	15
Programme total	82	29	111

N.B. 1 day= 7.4 hours

The upside of this relationship is that the Partners provide a holistic and inclusive vehicle for delivering services in the Derbyshire Dales, the High Peak and Staffordshire Moorlands. The organisations involved are close to the communities they seek to support, through information and advice and encouragement to collaborate, thereby enhancing their ability to respond to local gaps in service and infrastructure provision. We found that while there is a clear contractual relationship between the PDNPA and Derbyshire Dales Council for Voluntary Service (DDCVS), on behalf of PPfRA, the downside of this relationship is that there is no similar relationship between DDCVS and the other delivery organisations. We suggest that any future arrangement includes a Service Level Agreement with each organisation involved, which forms part of the contract, making clear the delivery milestones and payment terms.

²⁴ Peak Partners for Rural Action comprises of the Volunteer Centre Buxton, Derbyshire Dales CVS, Rural Action Derbyshire, High Peak CVS, New Mills Volunteer Service, Staffordshire Moorlands CVS, Volunteer Centre Derbyshire Dales and Volunteer Centre Glossop.

²⁵ PPfRA Contract Appendix, Agreed Works. Working document received from Suzanne Fletcher on 09/01/11

3.2 Programme activities

L&WR activities are divided into four areas, reflecting the objectives of the programme:

- Enterprise animation and micro-businesses/ community support;
- Sustainable enterprise collaborations and networks;
- Environmental support and accreditation; and,
- Business and community grants.

There follows a description of the activities delivered to date within these four areas, together with an overview of the views of stakeholders and participants as to the effectiveness of delivery.

3.2.1 Enterprise animation and micro-businesses/community support

3.2.1.1 Business Support

The purpose of enterprise animation and micro-business support activity is to complement existing business support activity (such as Business Link) in the PDNP through support which targets pre-pre-start up individuals and enterprise ideas²⁶. Support is concentrated on those with potential for entrepreneurial activity which stem from the distinctiveness and quality of the Peak District's environment²⁷. To avoid duplication, L&WR aims to assist people with new business ideas or help existing businesses to become more environmentally, socially or culturally sustainable, in essence, to 'top up' existing support. Key features of this support to businesses include:

- Working with businesses to develop an enterprising idea through informal discussions, 'handholding' activity and the development of an environmental strand to business thinking;
- Signposting businesses to useful business networks, training and groups to improve supply chains and stimulate new business ideas and opportunities;
- Training and workshops to address the barriers facing small rural businesses, such as IT skills development, leadership and management skills development, farmers market workshops and marketing; and,
- Signposting to additional business advice through Business Link (as businesses grow) or to grant funding such as LEADER, Peak District Sustainable Development Fund (SDF) or appropriate external funding.

Initially, L&WR was publicised through existing business support mechanisms such as Business Link. Little direct marketing of the programme has been undertaken because the continued stream of enquiries received by the L&WR team has meant that they are usually at full capacity and have not needed to promote the programme. More pro-active marketing has taken place during 'dips' in activity, with attempts to promote knowledge of the programme through business networking events, discussions with job centres and leaflet drives.

²⁶ PDNPA Live & Work Rural Project Application and Appraisal Form

²⁷ PDNPA Live & Work Rural 2009 – 2012 Business Plan

Case Study 1: Farm Diversification

L&WR was established to support farm diversification schemes and rural business that were on too small a scale to access RDPE funding. Farming incomes have decreased by around 75% since the mid-1990s according to the Rural Deprivation Forum. Peak District hill farmers are among the most deprived in the country, earning just £7,482 per year for a gruelling 58 hour working week.

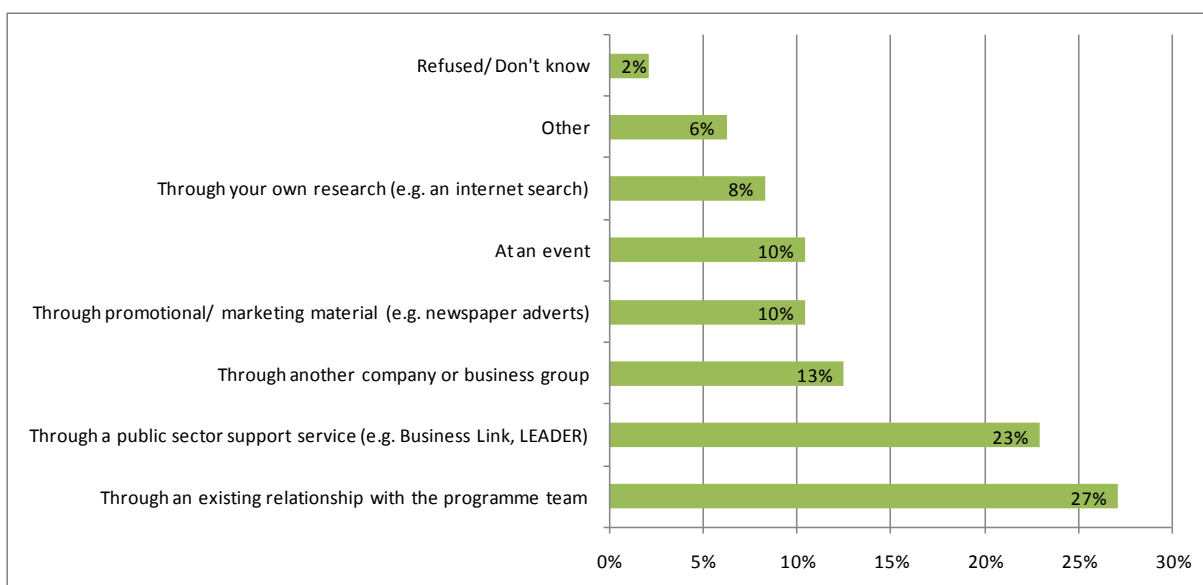
Big Fernyford Farm near Longnor uses non-intensive methods to rear Swaledale sheep and Belted Galloway cattle, mainly for breeding stock. Animals are extensively reared by traditional husbandry methods, on land managed in an environmentally sensitive way, protecting habitats and landscape features. Much of the farm is a Site of Special Scientific Interest (SSSI) and the farm was awarded the Peak District Environmental Quality Mark (EQM) in recognition of its conservation management. Also, working with Natural England and the PDNPA, the farmer is creating wildflower-rich hay meadows and habitats for upland birds such as lapwings, curlew and snipe.

Wishing to develop the meat side of the business, including on-farm processing and packaging of traditional lamb and beef, the farmer worked with a L&WR Officer and received support and advice about promotion, branding, packaging, pricing and grants. A LEADER grant was secured for the conversion of a traditional farm building into a processing and packaging room. The farm had previously needed to turn meat sales around within hours as the farmer was reliant upon the slaughter house and very limited safe storage facilities. Extra freezer and chiller storage space and processing capacity has led to the diversification of the products made available and the ability to offer processed products. The equipment within the processing room includes a walk in cold room and freezer, sausage filler, meat mincer, meat mixer and vacuum packer. Links were also made with other like minded businesses through the 'Foods from the Peak District' marketing and EQM networks.

The LEADER grant will also support the conversion and restoration of a second traditional farm building to holiday cottage accommodation. Fern Cottage will be a luxury, fully equipped self-catering cottage set on a working farm and run by the family.

As part of the survey of businesses supported through the programme, beneficiaries were asked how they had first heard about L&WR (see Figure 3.1).

Figure 3.1 Introduction to L&WR



Base= 49 businesses

The majority of businesses had either existing relations with the programme team, been involved through previous programmes or forms of engagement, or were referred through a public sector agency. Stakeholder interviews illustrate that the referral system between public sector agencies, particularly LEADER and Business Link, were initially weak. Over

time, however, the referral system improved significantly. Information sharing at partnership meetings also ensured that public bodies avoided duplication of activity and promoted the cross referral of businesses. One in five businesses heard of the programme through more pro-active marketing from the programme team, via promotional material and events (such as presentations at business meetings and breakfast clubs).

Businesses were also asked to score the motivations that had led to their engagement with L&WR, as illustrated in Figure 3.2. This indicates that:

- The opportunity to access funding advice and/or a grant was the primary motivation for businesses. A lack of access to funding was emphasised by businesses as a barrier to growth. The programme was viewed as a way for small levels of funding to be accessed;
- Businesses put emphasis on links with other businesses who are in a similar position to their own, or to establish supply chain relationships and share knowledge;
- Accessing environmental support – including the EQM award – was also viewed as an important reason for engaging with the programme;
- Whilst a lack of marketing was highlighted as a barrier to growth by a number of businesses surveyed, this was not rated as a particularly high motivation for engaging with the programme; and,
- Despite the programme targeting pre-pre start up businesses, advice on the development of a business idea and business planning was a lesser motivation, often due to this support being provided through Business Link before engaging with L&WR.

Following an initial enquiry, the business is entered into a database and assigned to one of the programme officers by the Programme Delivery Manager or the Senior Officer. The assigned officer makes contact with the business, usually via telephone, to discuss the business idea. At this stage there is initial consultation with PDNPA internal departments and programme partners to highlight any issues (e.g. with planning) and any previous contact with partners which should be considered prior to further progression with the individual or the business idea.

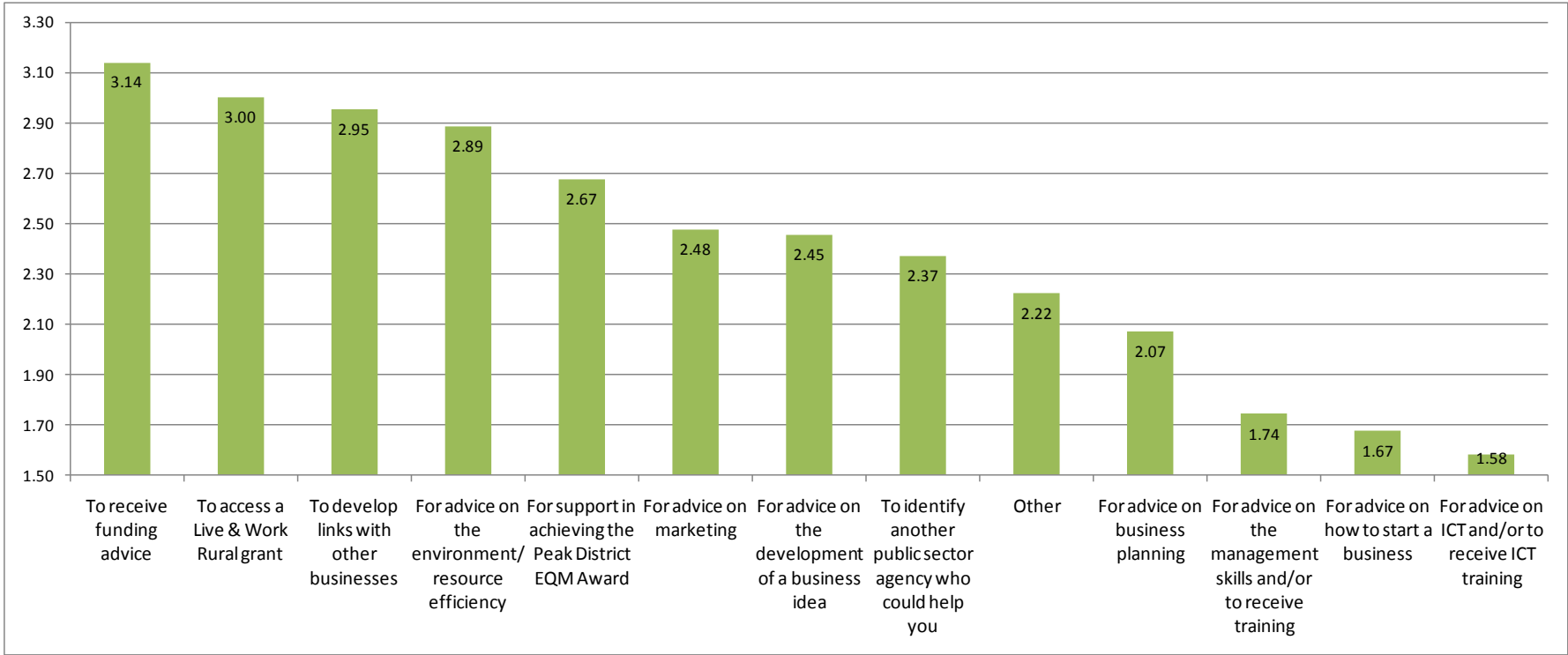
If no issues are highlighted, and the idea is in keeping with the programme and PDNPA's objectives, the officer will arrange a visit to develop the ideas further, often including the development of an action plan and explanation of the ways the programme could further support the idea through training, networking, EQM or grant opportunities. There is the opportunity for a second stage consultation with PDNPA specialists and wider stakeholders such as Natural England. This is to ensure that the proposed project is consistent with PDNPA and partner organisation objectives and that the potential benefits to both the Peak District specific environment and general environmental sustainability have been maximised. For example, if a business proposed to produce and sell wild flowers then consideration of the species chosen, donor and donee sites would be crucial to ensure that environmental, both Peak District specific and general, impacts are positive.

However, for other clients, an initial discussion of an idea is all the support required and they may choose to continue the business development alone. Where L&WR cannot support a business, it provides signposting to other support mechanisms.²⁸

Training opportunities are also provided through L&WR. This provides both an opportunity to network and address generic business management and leadership requirements. A number of more tailored courses have also been run, such as CEVAS which provides land based training for young people. The programme also promotes the training offered by other organisations such as the Destination Management Partnership's Mock Assessment Day for star rating or Business Link provision.

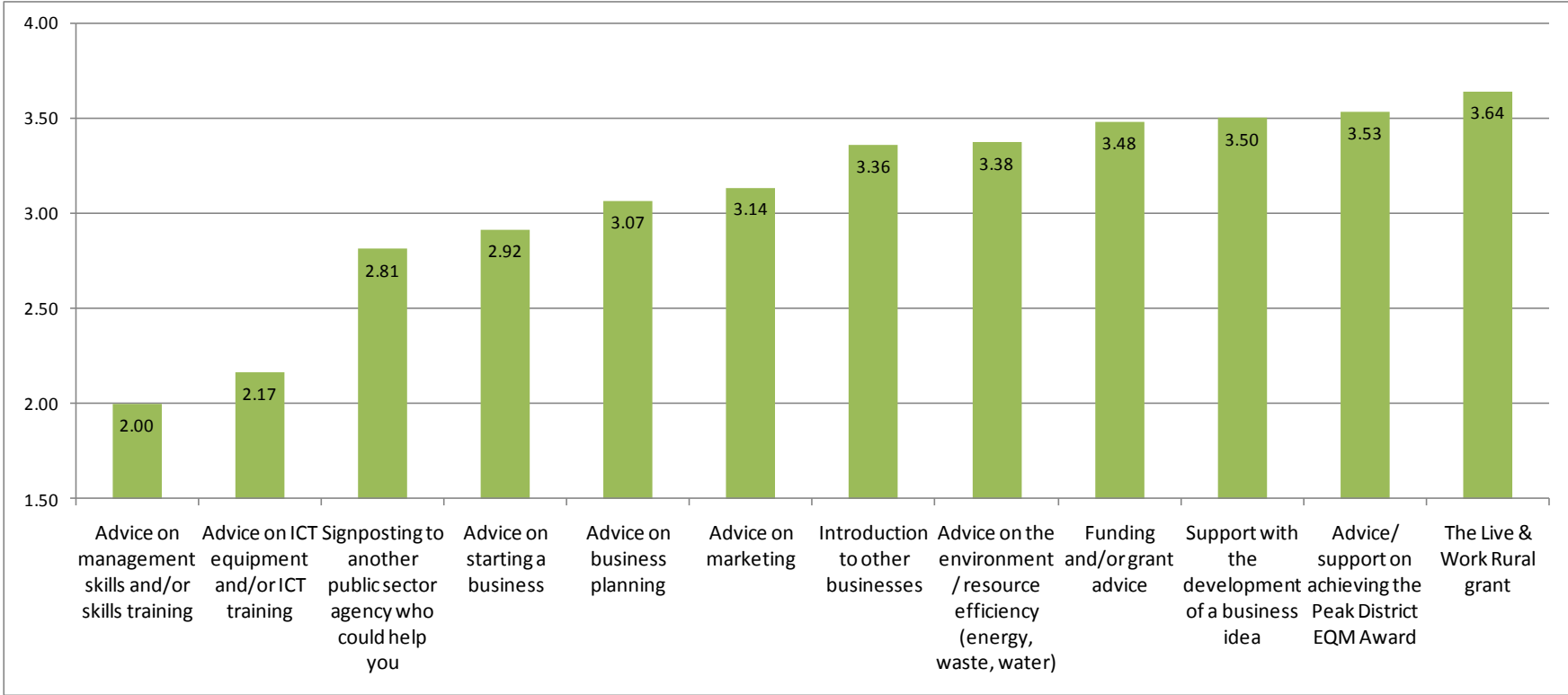
²⁸ There is, however, an opportunity for these businesses to gain environmental support at a later date if appropriate.

Figure 3.2 Average score relating to motivations for engaging with L&WR (1=not at all important and 4=very important)



Base= 41 to 44 businesses

Figure 3.3 Average score illustrating satisfaction of services received through L&WR by businesses? (1=very unsatisfied and 4=very satisfied)



Base= varies from 6 to 32 businesses

Services received by businesses were rated by survey respondents. The support received varies depending on the business' requirements from the programme and the tailored support provided. Figure 3.3 shows that advice on management or ICT skills and training rates relatively low in terms of business satisfaction. However, only one in ten of the survey sample received this service, compared to two thirds of respondents receiving environmental or resource efficiency advice which scored highly (3.38). 70% of businesses felt that they would have been unable to receive the support they had received from L&WR elsewhere – one quarter of respondents were unsure or refused to answer. Only 2 respondents (5%) stated they would have been able to receive similar support – but there would have been a delay.

An example of L&WR community activity is shown in the case study below.

Case Study 2: Example of Community Support in Longnor

Longnor is a market town located about 6 miles from Buxton. Several of the town's shops and businesses are currently at risk, for sale or for rent due to businesses closing down or moving elsewhere²⁹. The Action Group was established in the 1990s, to complement the activities of the Parish Council. The Group is open to all members of the community but has a core team of 10 members who meet regularly. The Action Group had previously engaged with the community but felt they needed a more coherent consultation, across a wider breadth of the community, to paint a picture of where the town should be and how it could get there. Through the programme, villagers hoped to promote enterprise, a positive image of the village and find ways to better utilise buildings. In essence, L&WR sought to ensure that the community remain motivated and active in their communities.

We were told that through the support provided by L&WR, there had been an increase in the number of people involved in community activity and increasing confidence to move from 'ideas' to 'action'. For example, in December 2010, the community arranged a Christmas market in the town where the area's local products were put on sale. Following heavy snow, and a shift of the venue to the local school hall, villagers highlighted how effective organisation and support from all sections of the community had overcome hurdles and made the event a success.

The Action Group have also received support to access funding. Longnor was recently awarded £50,000 funding through the Big Lottery Community Spaces fund to help upgrade their playground facilities. They have subsequently made an application for funding to re-gild the church clock, which is a key focal point of the town. We were told that, without the L&WR support, the Group would not have been aware of the funding and advice was vital in successfully submitting an evidence base application. The Action Group is now confident that they have the skills necessary to bid for further funding.

Peak Partners for Rural Action via Staffordshire Moorlands CVS (SMCVS) are currently supporting the development of the Longnor Action Plan. In March 2010, a street consultation was undertaken which involved questions and discussions around issues such as the environment, village facilities, life and work (focusing on parking and tourism) and business. In September 2010, the SMCVS spent 2 days in Longnor schools, with play groups, businesses and others to discuss these and other issues and develop a more focussed discussion of what the community wanted from the Action Plan – key to its development is that the community have ownership and it is a working document. The final Action Plan is currently being developed, with strong leadership being shown by both the Action Group and the Parish Council. It is now focussed on five agreed priorities: school - how the community can benefit from use of its school hall; business - how the community can deal with empty properties and the future of premises; the future of the market square; affordable housing; and the environment.

The impacts of the support received through L&WR were explored as part of the eight interviews that were carried out with community organisations. Discussions focussed on the impacts on the organisations themselves, and the impacts on the communities that they served. Observations from these discussions are as follows:

²⁹ This include the post office, village shop and craft shop on the market; 2 out of the village's 4 pubs vacant.

- Communities were overwhelmingly positive about the support received. Three-quarters of communities interviewed (6 out of 8) stated they were 'very satisfied'³⁰ with support. One community felt 'satisfied' whilst another rated the service as between 'very satisfied' and 'satisfied'.
- Communities felt that they would *not* have been able to get the support elsewhere. Only one community felt that they would have undertaken the same activity without the support, but still stated that support had been 'very helpful'.
- Primarily, respondents felt that L&WR support was 'unique', more specifically the support was viewed as holistic and enabling, providing the community with the skills required to maintain momentum.

3.2.2 Sustainable enterprise collaborations and networks

Sustainable collaboration and encouragement for networks aim to encourage enterprises to engage with one another, particularly in the Peak District's key sectors (e.g. local food). Networks provide opportunities for businesses to meet and create relationships with likeminded people. The aim is to share information between likeminded businesses, potentially highlighting opportunities to collaborate, share information and develop business relationships. The L&WR team work to set up networks where there is demand, primarily on a thematic basis to compliment the geographic networks that are set up in towns and villages by businesses themselves. This occurs through linking and expanding existing business networks (e.g. through business breakfast clubs). A benefit of L&WR is that it can link pre and new business start ups and other larger or more established likeminded businesses or people and signpost organisations to existing events and networks as appropriate. An example of activity is included in the case study box below:

Case Study 3: Bees and Trees Day, November 2010

Bees and Trees day took place in November 2010 at the Farming Life Centre, near Taddington. The day was a response to a visible increase in the number of enquiries received by L&WR relating to beekeeping and fruit growing. A bees and trees event was seen as opportunity for local producers to learn more about how they could benefit from the PDNP and its environment.

The informal event was sponsored by L&WR and the Peak District Sustainable Development Fund and hosted by the Farming Life Centre. Over the course of the day, a number of speakers made presentations on:

- the practicalities of setting up or restoring an orchard;
- a beginners' guide to beekeeping;
- setting up community projects;
- the benefits for the environment and people; and,
- selling honey or beeswax products, or preserves and juices at local markets.

In addition, practical skills were illustrated through the planting of trees at the Farming Life Centre. 60 people attended the event which cost £5 to attend and provided an opportunity to network, develop skills and find out more about the skills required. The event enabled L&WR to show case the programme as well as providing an opportunity for the planning department and other key organisations, including the National Orchard Officer from Natural England, to engage with businesses and communities.

Currently there are a number of categories to which businesses are assigned including; food and drink, rural arts and crafts, tourism, EQM, renewable technologies, accommodation providers, community or social enterprise, land based, farming, retail, alternative therapies and 'other'.

³⁰ Communities were asked to indicate their level of satisfaction of the support received on a scale of 1 to 4, where 1 is 'very unsatisfied' and 4 is 'very satisfied'.

As the L&WR database grew, businesses began to be 'assigned' to these pre-determined groups depending on their business activity, and this business database became a useful tool to communicate information and promote training and other opportunities. For example, L&WR operates a free 'Environmental Stall' at Bakewell Farmers' Market for clients, which can help to showcase activity, services or products. This has improved the relationship and understanding between businesses and the programme team and, potentially, will reduce barriers to market for new start up businesses. Whilst clients are not aware that they have been assigned to categories according to their activities, the categorisation helps the L&WR team to tailor the support provided and allows them to talk to that client about other businesses, as a way to improve communication and promote supply chain linkages.

3.2.3 Environmental support and accreditation

L&WR supports businesses through tailored support to improve environmental performance, reduce costs and protect the environment – to maximise environmental benefit and minimise any adverse environmental effect.

For a number of businesses, initial support leads to accreditation through the Peak District Environmental Quality Mark (EQM). Over the EQM's lifetime, 90 businesses have been awarded the Mark across the food and drink, farming, tourist accommodation and arts and crafts sectors. Since 2009, and the start of L&WR, 20 awards³¹ have been achieved promoting and acknowledging businesses' green credentials and thereby potentially providing a business and marketing advantage³². EQM rewards businesses who have achieved high environmental standards, those who³³:

- Conserve the character of the PDNP;
- Use locally grown or produced products;
- Minimise production of waste;
- Use environmentally friendly products;
- Efficiently use energy and water resources; and,
- Provide environmental information to customers.

Once a business has expressed an interest in EQM, the officer undertakes a desk assessment of the business followed by a site visit to ensure that the business meets the required EQM standards³⁴. Within the visit, following an informal discussion with the applicant, the application form is filled in by the officer and the applicant. The form, site visit and discussions are then formerly collated through an application report written by the L&WR officer, including recommendations to an independent EQM Award Panel. The panel consists of representatives from Natural England, Business Link, Visit Peak District and Derbyshire and Friends of the Peak District/ Campaign to Protect Rural England. The Award Panel's recommendation is made to the PDNPA and a Director decides whether to authorise the award or not. If approved, the applicant receives the EQM, a certification mark, which indicates specific environmental quality or characteristics are met by the business or service provided.

Following approval, the award holder has to be audited annually to ensure that they are still meeting the EQM objectives, in addition to site visits undertaken by the L&WR officer at little or no notice. The award is held for two years, following which time the award holder can choose to renew their application, subject to EQM standards still being achieved.

³¹ PDNPA Reprofiled targets and achieved outputs for Year 1 to Year 2 Q3

³² PDNPA (2005) Giving businesses 'Pride in their Place: The Development of the Peak District Environmental Quality Mark 2001 to 2005'

³³ <http://www.peakdistrict.gov.uk/index/looking-after/environmentalqualitymark/eqm.htm>

³⁴ PDNPA (2005) Giving businesses 'Pride in their Place: The Development of the Peak District Environmental Quality Mark 2001 to 2005'

EQM holders are expected to gain a number of benefits³⁵

- Official recognition of environmental practices and achievements;
- Use of logo in advertising to give distinction to products and services;
- Free listing on the Peak District Environmental Quality Mark website including a link to the business website;
- Potential for reduced running costs through careful use of natural resources;
- Access to advice and support for environmental issues;
- Networking with like-minded businesses, producers, suppliers and outlets; and,
- Showing customers their commitment to the environment.

The EQM process is currently undergoing a review to identify ways of enhancing its sustainability, potentially through charging for the services provided, and the streamlining of its delivery through a process of self-assessment. This involves the following activity:

- a revision of the application process, with applicants now filling in their own applications, with self-help guidance available but with no assistance from the L&WR officer;
- work to revise and automate the scheme administration processes to cope with larger numbers;
- a revision of the monitoring procedure;
- consultation on (and later publication of) revised standards and accompanying guidelines;
- a revision of the current categories to enable a wider range of businesses including the voluntary and community sectors to apply for the mark;
- achievement of Visit England validation for EQM;
- the introduction of an administrative fee for participation in EQM; and,
- potentially a new process that could be franchised for use within other authorities or organisations³⁶.

The approach adopted appears sensible, and is likely to reduce the burden placed on the limited resources available through the use of self assessment, while maintaining standards. The introduction of a fee will inevitably mean that applicants will want to see more tangible benefits for their investment. The PDNPA could, for example, undertake further research into the potential economic benefits of the Mark (i.e. businesses have, to date, demonstrated an increase of x% in turnover as a direct result of the EQM) In our interviews with recipients of the Mark we were told additional marketing efforts are required to ensure that potential customers are made more aware of accredited businesses.

Returning to the findings from our survey of businesses:

- 44% of businesses who responded to our survey were already EQM holders;
- A further 2% were in the process of applying to be a member;
- Almost two-fifths were interested in becoming an EQM holder;
- Just 4% were unaware of the scheme.

For those businesses that were either not a member, or applying to be a member, it was primarily because the business did not align with the objectives of the scheme, either sitting

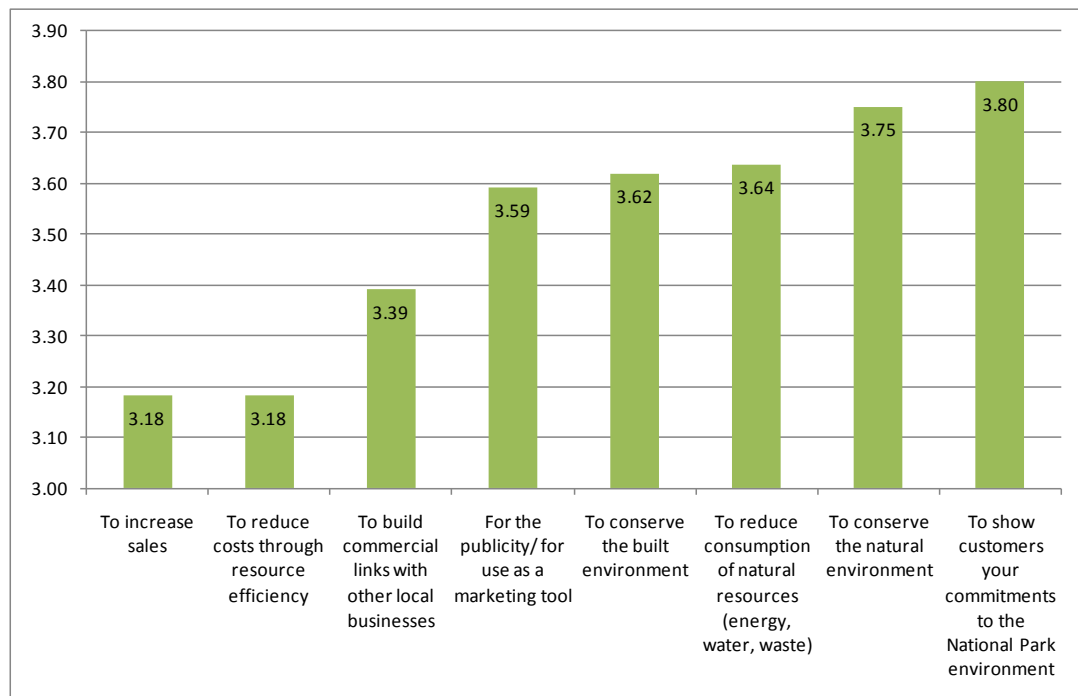
³⁵ PDNPA, Benefits of the PDEQM <http://www.peakdistrict.gov.uk/index/looking-after/environmentalqualitymark/eqm-business.htm>

³⁶ PDNPA Internal Action/ Business Plan for EQM 2010/11 to 2011/12.

in the wrong sector or due to a focus on establishing, or growing, the business rather than seeking environmental accreditation. However, many stated that applying to become an EQM holder was something they would consider in the future.

The motivations for applying to become an EQM holder are shown in Figure 3.4.

Figure 3.4 Motivations for applying to be an EQM holder (1=not at all important and 4=very important)



Base= 21 businesses

The responses highlight that:

- Businesses engaged with the EQM scheme for a wide variety of reasons but the primary motivation was that it enabled them to demonstrate to customers their commitment and dedication to the National Park's environment;
- Businesses also saw EQM as a way to ensure that they were conserving the natural environment, including through reducing consumption of natural resources; and,
- Increasing sales and reducing costs through resource efficiency were lesser motivations, but still, on average, deemed important.

Businesses were satisfied with the services received through the EQM, particularly the quality of support provided by L&WR which was rated 3.67 out of 4 (1=very unsatisfied and 4=very satisfied).

We also asked a number of questions to inform the development of the scheme beyond the end of L&WR:

- 44% of respondents felt that the award should be renewed every 3 years, compared to annual renewal at present;
- only 15% of respondents stated that annual renewal should be maintained – the remainder (33%) felt biennial renewal would be the best outcome;
- two in five EQM holders felt that they would be willing to pay for the award, with values ranging from £15 to £100 – the average figure was £44 per year;
- a large number of businesses suggested that, if more services were offered to award holders, they would be more likely to pay more for the award; and,

- those respondents who said that they would not wish to pay for the award in the future tended to believe that it should remain free with an optional charge for those who wanted to advertise in a printed brochure, or to upgrade to a higher level award as part of EQM.

Businesses felt that the EQM scheme had helped to develop the 'environmental ethos' of their businesses, improving their pride in the natural environment they work in. Very few respondents suggested improvements to the EQM element of L&WR. Those that did suggested:

- Ensuring there is enough scrutiny of EQM holder premises – particularly farms;
- Benchmarking of consumer awareness of EQM – followed by targets being set to improve awareness of both environmental issues and EQM itself;
- An integrated marketing or awareness campaign of the EQM scheme; and,
- Introducing a database of EQM services in the Peak District to improve supply chains between EQM businesses.

Conclusion 3: Revision to the EQM

Although the EQM is strongly supported by its members and has relatively strong recognition by L&WR beneficiaries, there is little evidence of the scheme having been accessed to gain direct economic benefits. Instead, members place most value on the recognition that the scheme gives of their environmental commitments. In view of this, if the scheme is to continue to receive funding support from PDNPA, its focus might switch from relatively intensive and frequent (i.e. annual) independent inspection and accreditation, to the provision of 'one to many' services to members in the form of advice on environmental assurance (for instance reducing energy use and waste, improving local supply chains, etc).

3.2.4 Business grants

The L&WR grant is intended to support business start-ups. It is only intended to be used where no other forms of grant support are appropriate, and has thus been designed to complement the other schemes available to businesses in the National Park. Notably these include the LEADER programme grants (£3,500 to £25,000), and the Rural Development Programme grants (£25,000 plus). Where more suitable sources of funding are available a L&WR officer will signpost a client to them. As such, whilst communities are able to apply for grants, other funding may be deemed more suitable (for example the PDNPA's Sustainable Development Fund).

The key features of the L&WR grant scheme are as follows³⁷:

- The maximum value of grant available is £3,500 per business;
- Grants may cover up to 40 per cent of the total value of the 'project';
- Businesses must match-fund using their own resources, or an in-kind time contribution (worth up to 50 per cent of the match-funding);
- Grants are typically for revenue expenditure³⁸; and,
- Applicants should either be located within the National Park, or should be able to demonstrate a clear link with the environment of the National Park.

³⁷ PDNPA (2009) Draft Guidance on what is eligible expenditure for the L&WR Grant. Internal Document (v23/11/2009)

³⁸ Eligible types of expenditure include: start-up costs (e.g. rent); patenting costs; feasibility studies; expert advice (e.g. marketing, tax); marketing costs; website design; product design costs (e.g. prototypes); planning professional costs (e.g. architects, agents); bespoke training; and small-scale machinery and equipment (typically worth up to £1,500).

£90,000 grant funding is available to businesses for the life of the programme. Only PDNPA funds are used for the grant so that the application process is straight forward, applications can be assessed quickly and business momentum can be maintained. For this reason, the impact of the project on the National Park itself, such as the use of the National Park landscape or environment or sourcing of products from the National Park, is considered as important as jobs created or sustained³⁹

Grant applications are made by businesses with assistance from L&WR officers. The level of help varies depending upon the requirements of the business; however in some cases it can involve 'handholding' throughout the grant application process, from filling in the application form to the submission process and some assistance once the grant has been awarded. After a business contacts L&WR there is initial consultation with PDNPA internal departments and programme partners and then a second wider consultation as described in paragraph 3.2.1.1 above.

The assigned L&WR officer works with the client to develop the grant application using any additional information provided by the consultation process and as long as there are no unresolved issues such as noncompliance with development control or other environmental regulations.

Alongside their ability to meet the general eligibility criteria, primarily to ensure that the applicant lives and works within the programme area and demonstrates links to the PDNP, grant applicants are scored according to the extent to which they provide benefits in three key areas⁴⁰:

- Economic benefits: Criteria include the extent to which the project creates or safeguards employment, and supports a new or established business (the scoring system is weighted towards new businesses with high potential);
- Environmental benefits: Criteria include the extent to which the project is delivering benefits to the Peak District National Park environment and general environmental sustainability for example working towards green accreditation, carbon emission reductions, and/or the use of local resources as part of a new product or service; and,
- Community/ network benefits: Criteria include the extent to which the project provides social or community benefits (e.g. a social enterprise or village facility), and involves a collaborative project between local businesses.

Following completion, the application form is scored by the officer, before being passed to the L&WR Programme Delivery Manager and is either approved or deemed unsuccessful. On average, it takes just 17 days from the submission of the grant application to an offer being made. This period often involves further information such as three quotes per item of expenditure being provided whenever feasible. If the application is unsuccessful, the officer can guide the client through the application's issues and a re-application can be made if the proposal has the potential to score highly enough to qualify for the grant.

Whilst communities are able to apply for the L&WR grant, businesses are more suited to the funding due to the weighting of the current scoring criteria. This is due to the availability of the PDNPA's Sustainable Development Fund (SDF) which is more weighted to community projects than business. Officers, however, are keen for community projects to be able to access L&WR grants particularly for small scale community projects which may not attract SDF funds. As a result the process of scoring and award of L&WR grants is being reviewed to see how promising community schemes which are unable to access SDF can be supported.

In 2009-10, 10 grants were successful. The average value of grant awarded was £1,280 with an additional private contribution of £1,920. Grants therefore made up 40% of project costs.

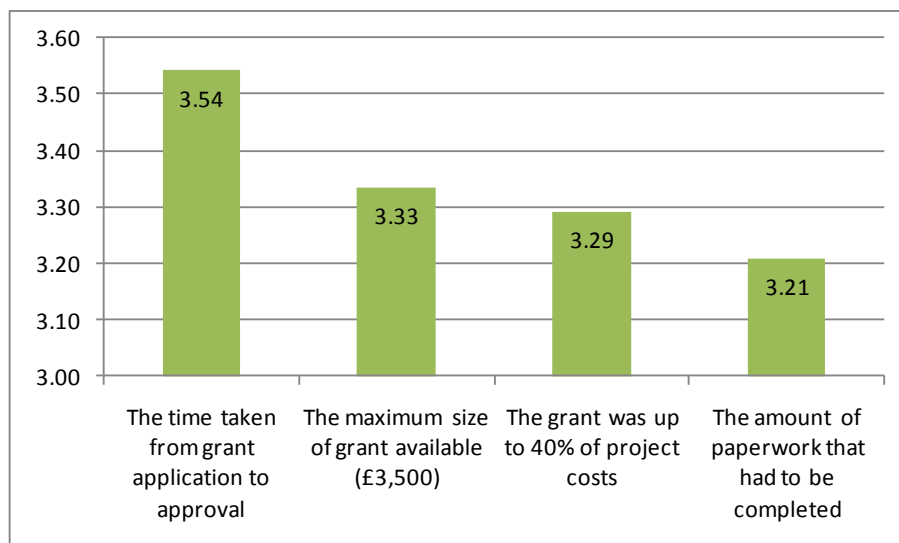
³⁹ PDNPA (2009) Draft Guidance on what is eligible expenditure for the L&WR Grant. Internal Document (v23/11/2009)

⁴⁰ PDNPA (2009) Live & Work Rural Programme grants assessment form (v25/8/09)

In 2010-11 there was an increase in the number of grants awarded with 24 successful recipients and an average value of £1,709 with £3,624 private contribution. The grant, on average, paid 34% towards project costs. However, a total of just over £28,500 has been paid to date so far and £22,300 is still left to claim. We were told that this is due to the flexibility of the grant scheme, with successful applicants able to draw down the grant over a staggered period of time to suit their requirements.

The types of projects supported by L&WR grant vary from costs associated with start up (e.g. the purchase of equipment, marketing etc) to the development of websites or training courses. Through our survey, grant recipients were asked to assess their satisfaction with the way the L&WR grant had been delivered (as shown in Figure 3.5).

Figure 3.5 Satisfaction with the L&WR grant (1= very unsatisfied, 4= very satisfied)



Base= 24 businesses

We found that:

- Levels of satisfaction were high – particularly the time taken for the grant application to be approved;
- Businesses were satisfied with the level of grant available to them and the requirement to pay the remaining 60% of project costs themselves; and,
- Whilst the amount of paperwork was scored the lowest in terms of satisfaction, it was still rated over 3 showing that businesses were satisfied with the process on the whole.

One third of grant recipients⁴¹ had heard of L&WR through Business Link – 16% had found the scheme through an internet search whilst the remainder had engaged with the programme following attending an event; through an existing relationship with the PDNPA or, through another business contact.

3.3 The demand and supply for business support

There are two main alternatives to the business support provided through L&WR:

- **Business Link:** Support is delivered by a team of advisors across the Derbyshire area led by a team leader who oversees strategic delivery and ensures activity is not duplicated by other programmes. Business Link services are split into two distinct services; start up and established business. A client contacts an enquiry service which is answered by a desk based advisor who seeks to help them with as much support as is possible over the telephone. If the advisor deems the client to have a 'barrier' to starting

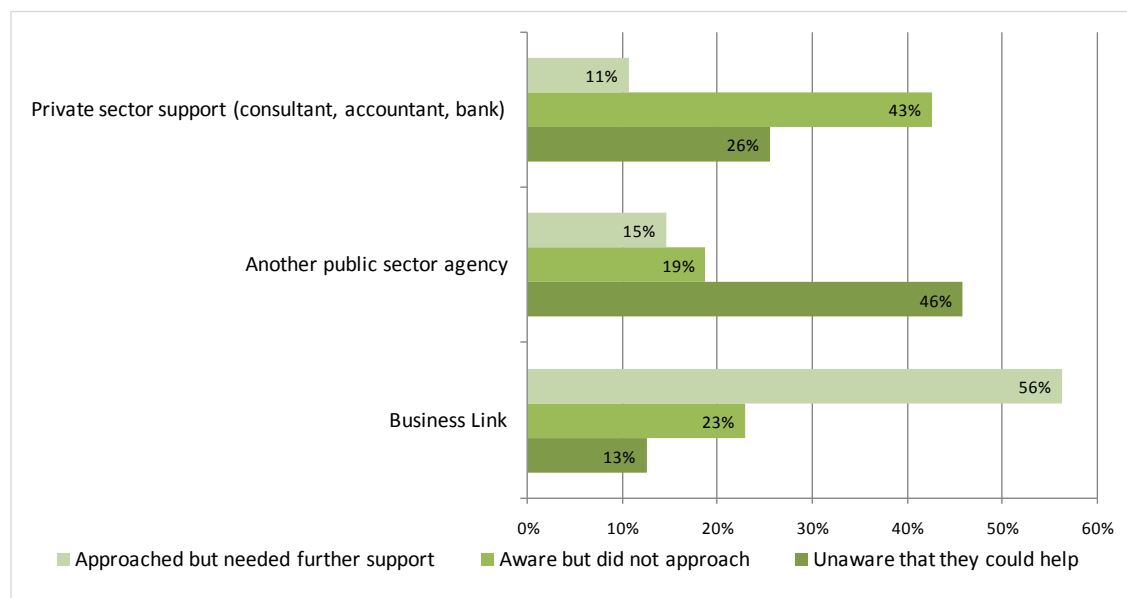
⁴¹ Over one-third of the 24 grant recipients who responded to the GHK beneficiary survey.

up a business, they are signposted to intensive start up support (ISUS). This support is provided on a one-to-one basis at centrally held surgeries which take place on a weekly basis. A client can attend as many one-to-one sessions as is required. Support provided is generic, and includes signposting to one-to-many workshops - or, if more specialist support is required to programmes such as L&WR. The start up service assists businesses until they have been trading for 6 months; at this stage they become 'established businesses' and are referred to the appropriate Business Link service.

- LEADER: Grants are provided to Peak District businesses through the LEADER programme (see Section 2.2). The minimum grant size is £3,500 (also the maximum size of the L&WR grant), and grants can be used to support start-ups or to help existing micro enterprises to develop new projects.

In order to investigate the need for L&WR, as part of the survey of business beneficiaries, respondents were asked whether they had investigated other sources of support prior to their involvement in the programme (see Figure 3.6).

Figure 3.6 Whether businesses had investigated other forms of support prior to becoming involved with L&WR



Base = 49 businesses

The results show that awareness of Business Link is high (79%), with greater awareness of their service offer than other public or private sector alternatives. A large majority of business beneficiaries (56%) told us they required more intensive support, which Business Link was unable to offer at this stage in their development. The results of our survey confirm a high level of referral from Business Link, with over half of respondents approaching them prior to L&WR.

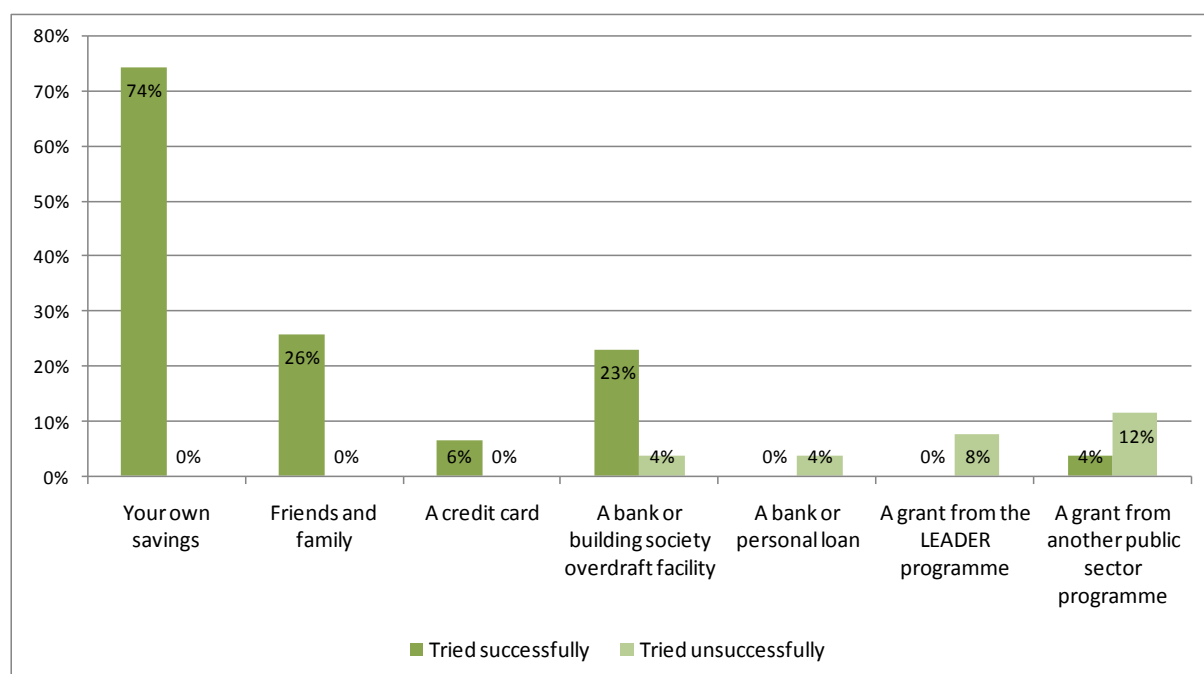
Conclusion 4: Alignment with Business Link and LEADER

The support provided by Business Link is complemented by L&WR, which is tailored towards the requirements of early stage entrepreneurs and the challenges they face in establishing themselves in a rural setting. The L&WR grants have been designed to complement the LEADER grants and there is no duplication. Indeed, one stakeholder noted that the L&WR grant is the 'little brother' of the LEADER grants and provides natural progression for businesses as they seek to grow and develop.

Businesses who had received a L&WR grant were also asked whether they had previously sought to access finance from another source.⁴² The L&WR programme team stressed that the grant was seen as a measure of ‘last resort’, and was only employed once any other alternatives sources of support had been ruled out. As shown in Figure 3.7

- The average grant payment made in 2009/10 was £1,280 increasing to £1,709 in 2010/11. The sample of businesses who responded to the survey received an average grant size of £1,462;
- The majority of businesses had utilised their own savings prior to applying for the L&WR grant to supplement their business activity (74%), a further one in four had received financial assistance through friends or family;
- One quarter of businesses had successfully received finance through a bank loan or overdraft facility, very few businesses had unsuccessfully attempted to gain finance through a bank.

Figure 3.7 Whether businesses had sought to access finance from alternative sources prior to receiving a L&WR grant



Base = 23 businesses

Accessing the right funding to help your business grow can be difficult and it is often more difficult to finance investment in rural areas. The network of financial intermediaries is less dense and because more firms are small, finance is largely restricted to borrowed funds from banks (and in many case friends and families) with little opportunity to access equity or other sources of finance. The results of our survey indicate small grants are supporting entrepreneurs at the very early stages of business formation. Discussions with programme stakeholders suggested that it is unlikely that many programme participants would have been willing or able to pay market rates for advice and support.

⁴² 34 businesses have successfully obtained a grant through L&WR, with 68% of these businesses (23) completing an online survey or telephone interview

Conclusion 5: Flexibility Required of Grant Applications

68 per cent of grant recipients stated that they would not be able to receive the same support from other organisations (just less than one tenth stated they could have received the support from elsewhere but with a delay). The L&WR grant is particularly suited and accessible to small start up businesses due to the flexible period within which they can draw down funding. For example, if a business' application was for a computer and marketing costs, a company could choose to draw down the funding in two stages, to enable them to save for the required match funding over time. In addition, the support made available and the streamlined nature of any award – taking, on average 17 days – is valued by businesses.

3.4 Key Messages

Working closely with Business Link, the PDNPA has developed and delivered a clearly defined, mutually reinforcing programme that seeks to nurture, broker and provide solutions for businesses and communities in the PDNP. Levels of satisfaction, notably from the businesses supported and responding to our survey, are high. Whereas the common refrain from business is that support tends to be complex and bureaucratic (whether that perception is accurate or not is a different matter), in practice we have found activities to be delivered efficiently and flexibly. The danger, certainly at the beginning of the programme, was that L&WR would duplicate and hinder efforts to simplify business support. In practice the relationship between Business Link and L&WR, after some early teething problems, has worked effectively. Further, communities receiving more focussed support value the approach taken through both the L&WR team and the PPfRA, as villagers and professionals work together to identify priorities and funding opportunities and design and deliver services in equal partnership.

4 Programme Outputs and Impacts

This section of the report analyses the performance of L&WR against its output targets, and reviews the economic and strategic impacts generated by the programme to date.

4.1 Programme outputs

L&WR reports against a comparatively long list of outputs, reflecting the wide range of activities and the diverse set of beneficiaries. Table 4.1 lists all 19 of the outputs against which L&WR reports. These outputs can be divided into three categories:

- *Core emda outputs based on the New Tasking Framework (NTF)*: These outputs primarily capture the results of the support offered to existing businesses and start-ups. Private sector leverage is generated through businesses match-funding their L&WR grants.
- *A specific set of community related outputs*: These outputs mostly measure the activities that L&WR delivers to community organisations, together with the number of new businesses joining the Peak District EQM scheme.
- *Supplementary emda Key Performance Indicators (KPIs)*: These outputs are primarily delivered to start-up and existing businesses, and measure specific aspects of the support provided (e.g. support with resource efficiency and ICT training).

Targets for each of the 19 outputs were agreed at the outset of the programme. The targets were re-profiled at the end of Year 1 (2009) largely because the bidding process for funding took longer than the PDNPA had expected. The re-profiling by the L&WR Programme Delivery Manager, in discussions with *emda* and PPfRA, sought to take into account activity that had been achieved since the start of the programme and enable the targets to reflect more achievable outcomes within the remainder of the programme.

Table 4.1 summarises the performance of L&WR to date against its targets. Data covers the period 2009-10 and the first three quarters of 2010-11 (i.e. up to 31 December 2010). Key points of note are as follows:

- The programme has performed well against its core *emda* output targets, to date achieving or exceeding all six of the re-profiled targets;
- Performance against targets for the community outputs has been more mixed. Of the 7 output targets, 3 have been exceeded by a considerable margin, whilst another 3 are some way behind target, particularly the number of new businesses joining the Peak District EQM scheme (31 per cent achieved to date); and,
- Performance against the 6 KPI targets set by *emda* has generally been good, though the programme has not yet resulted in the creation of any social enterprises (target KPI5).

Table 4.1 The performance of L&WR against output targets to date

Ref.	Output definition	2009/10			2010/11 (Q1, Q2, Q3)			Total to date (Q3 2010/11)		
		Re-profiled target	Actual	% of target	Re-profiled target	Actual	% of target	Re-profiled target	Actual	% of target
T1	Jobs created or safeguarded	7	7	100%	31	70	168%	39	77	201%
T2	People assisted to get a job	0	0	-	60	57	71%	60	57	95%
T4	Businesses assisted to improve their performance	60	97	162%	45	71	118%	105	168	160%
T4a	Businesses in new collaborations with knowledge base	2	4	200%	3	4	100%	5	8	160%
T5a	Private sector infrastructure investment levered	£2,952	£2,952	100%	£49,536	£58,446	88%	£52,488	£61,397	117%
T6	People assisted in their skills development	46	46	100%	41	99	183%	87	145	168%
COM1	Businesses new to participation in the EQM	21	20	95%	44	0	0%	65	20	31%
COM2	Existing community/village planning arrangements maintained/developed	10	4	40%	8	2	20%	18	6	34%
COM3	New community/village contacts and community planning or project engagement	10	7	70%	8	8	80%	18	15	86%
COM4	Community initiatives and community services/ facilities	0	5	-	8	10	100%	8	15	200%
COM5	Public interface events including talks, forums and shows	21	61	290%	14	46	256%	35	107	310%
COM6	Individual community contacts through communications and activities	700	2,068	295%	600	967	121%	1,300	3,035	233%
COM7	Number of contacts volunteering	80	10	13%	71	55	58%	151	65	43%
KPI5	Social Enterprise Start ups	1	0	0%	1	0	0%	2	0	0%
KPI10	Tourism businesses with quality improvement	0	0	-	9	4	33%	9	4	44%
KPI11	Businesses assisted with management skills	0	1	-	9	13	108%	9	14	156%
KPI15	Businesses advised on resource efficiency	42	42	100%	44	33	57%	86	75	88%
KPI16	Businesses assisted in ICT	8	4	50%	9	10	83%	17	14	82%
KPI24	Sustainable transport initiatives	0	0	-	1	2	200%	1	2	267%

Note: 2010/11 targets are for Q1, Q2 and Q3 and have been calculated as three quarters of the annual target

Figure 4.1 shows how L&WR has performed to date against its lifetime targets. The programme is currently just past its midway point, and thus in principle all outputs should be at least 50 per cent achieved. This chart indicates that:

- The programme has already achieved 3 of its 19 output targets, notably in relation to the number of public interface events held, where the target has already been 210 per cent achieved;
- A further 7 of 19 targets have so far been between 50 per cent and 100 per cent achieved (i.e. they are on course to be reached at the programme midpoint). This includes most of the 6 core *emda* outputs (the first six targets from the top in Figure 4.1). Whilst the core *emda* output 'people assisted to get a job' (T2) has thus far only been 32 per cent achieved, the target for 2011/12 is considerably higher than for previous years;
- Finally, 4 of the 19 outputs are significantly behind target (less than 25 per cent achieved at the programme midpoint). For the most part, whilst behind target, the number of expected outputs is relatively small – for instance the target number of social enterprise start-ups is just 4 businesses, and we were told that partners were confident that this target would be reached. Whilst progress has been limited, these targets are thus still achievable as the programme progresses. The number of new businesses recruited to the EQM scheme, however, is well behind a relatively large target (20 out of a programme lifetime target of 140 new EQM awards).

Discussions with the L&WR team have highlighted the following factors as having influenced the performance of the programme to date against its output targets:

- *People assisted to get a job*: A small shortfall has been realised in the T2 target, this is primarily because many of those supported are not unemployed prior to engaging with L&WR and instead are sole traders or in part time work. However, the L&WR team are addressing this through work with local job centres and closer working with the Volunteer Centres under the contract with PPfRA.
- *Businesses new to EQM*: The number of EQM awards achieved is considerably lower than anticipated. In fact, no new businesses have achieved EQM since 2009-10; however 7 businesses have been recommended for the award and will therefore be recorded in later output claims⁴³. The current processes for EQM are at full capacity⁴⁴ and subsequently output targets were reduced. The EQM process is under review to: develop new processes which will allow the scheme to be accessed by larger number of businesses; make it more desirable to tourism accommodation businesses and update EQM standards. In addition, resources are focused on achieving Visit England Validation; once this has been realised and processes have been improved it is likely that more businesses will achieve EQM.
- *Social Enterprise Start ups*: The number of social enterprise start ups is zero, primarily due to the time taken to establish social enterprises and the requirement, as per the output definition, that the social enterprise is sustained for one year. Currently 14 social enterprises are receiving support from L&WR and 2 have been established.
- *Businesses advised on resource efficiency & Businesses assisted in ICT*: The number of businesses who have received resource efficiency or ICT support is lower than profiled. This is primarily due to initially businesses being counted to improve their performance and a subsequent need to prevent double counting within outputs.

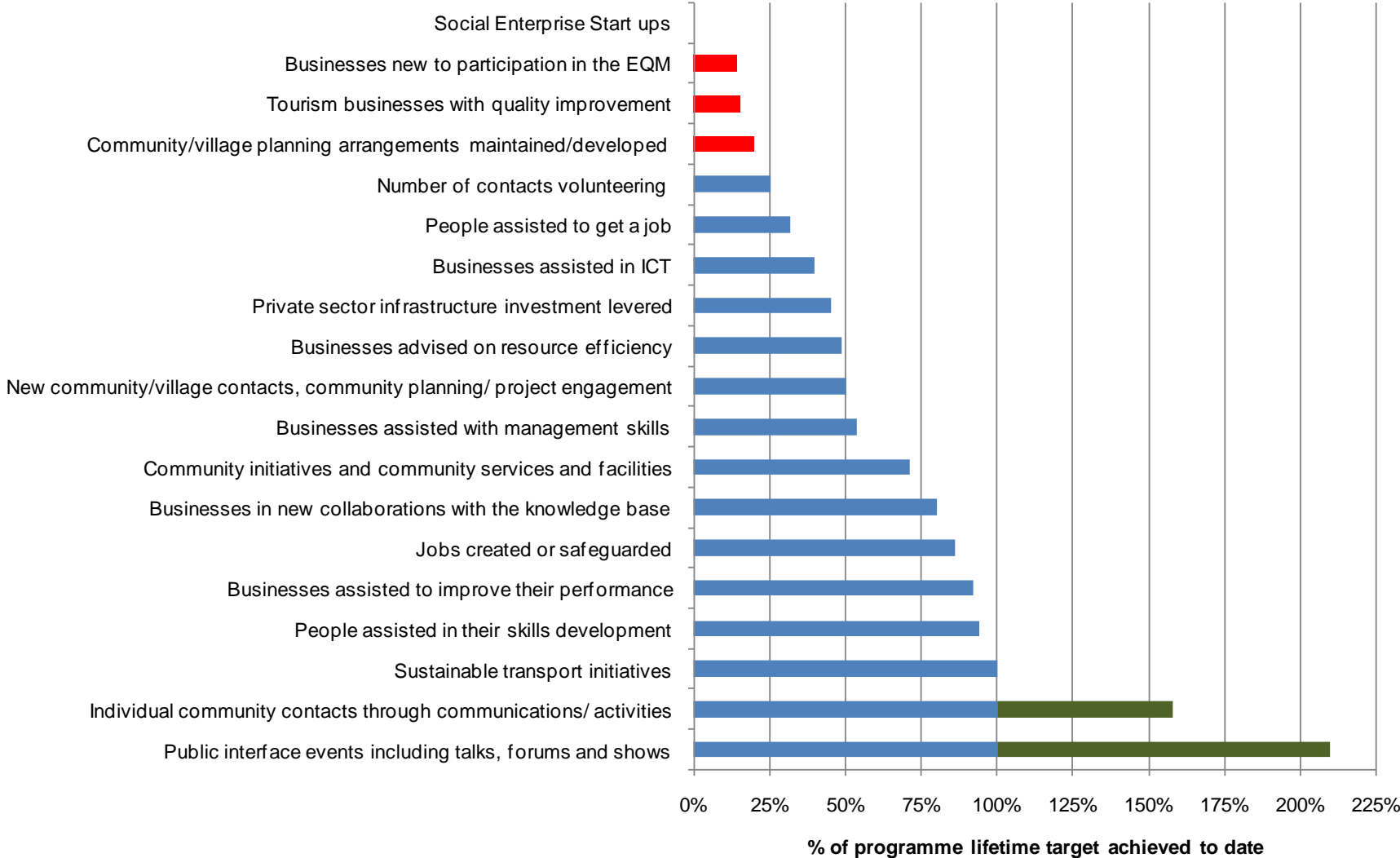
4.2 Characteristics of programme beneficiaries

This sub-section of the report presents a profile of the recipients of support through L&WR, based on responses to the business and community beneficiary surveys.

⁴³ *emda* Claim form 15/01/11

⁴⁴ PDNPA (2010) Environmental Accreditation, PDEQM Action Plan for 2010/11 to 2011/12, Internal.

Figure 4.1 Progress to date against the lifetime output targets of L&WR



Note, therefore, that this only includes beneficiaries who received sufficient support to result in a reported output, and excludes the large number of businesses and community organisations who contacted the programme and were not eligible for support and/or were referred to a more appropriate source of information.

4.2.2 Business beneficiaries

4.2.2.1 Legal status

Of the 49 responses received to the business survey, over four-fifths of businesses had already started trading. One in ten had not yet started trading, whilst the remainder did not answer. Businesses were primarily sole traders (55%), with just under one-quarter (23%) classified as private companies limited by shares. There were also a number of businesses who were partnerships (14%).

4.2.2.2 Business geography

Figure 4.2 illustrates the distribution of business beneficiaries across the L&WR area. The beneficiaries extend out of the PDNP – particularly to the south of the PDNP where it follows the boundaries of the Rural Action Zone. The programme therefore incorporates areas on the periphery of the National Park.

The spread of businesses within the programme area are relatively even, with the exception of to the north where less businesses received support, with instead only a few on the outskirts, centred on Glossop. To the west – a number of businesses are concentrated around the settlements of Buxton, New Mills and Chapel-en-le Frith, whilst to the east – they are centred on Matlock. Within the Peak District boundary, businesses are concentrated across the central part in, or around, Castleton, Hathersage and Bamford.

4.2.2.3 Business size

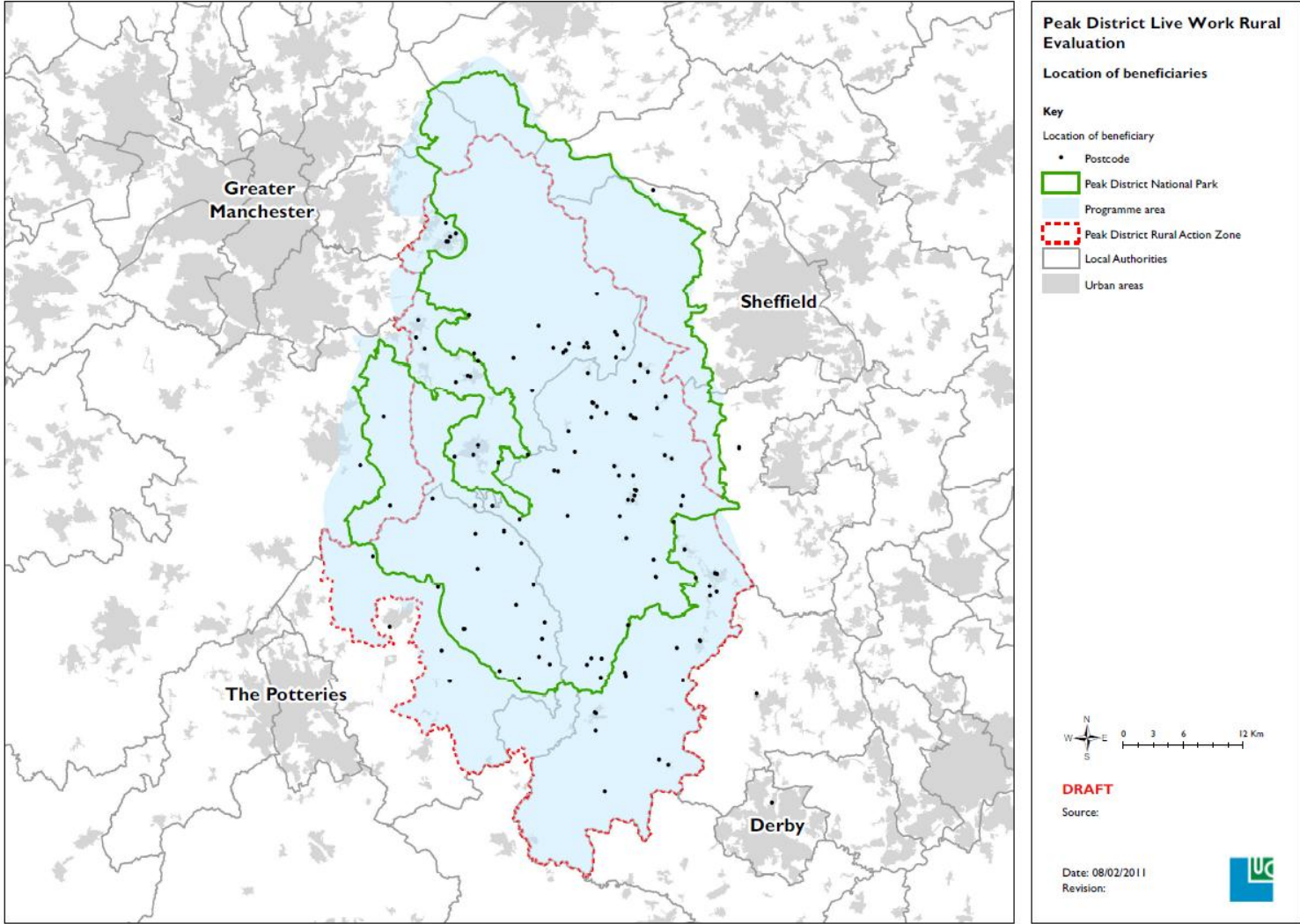
The average business respondent was made up of one full time and one part time employee – in reality businesses ranged up to 4 full time employees. Businesses were all, therefore, micro-enterprises.

4.2.2.4 Business sector

Figure 4.3 shows the 2007 Standard Industrial Classification (SIC) classification of the businesses that responded to the beneficiary survey:

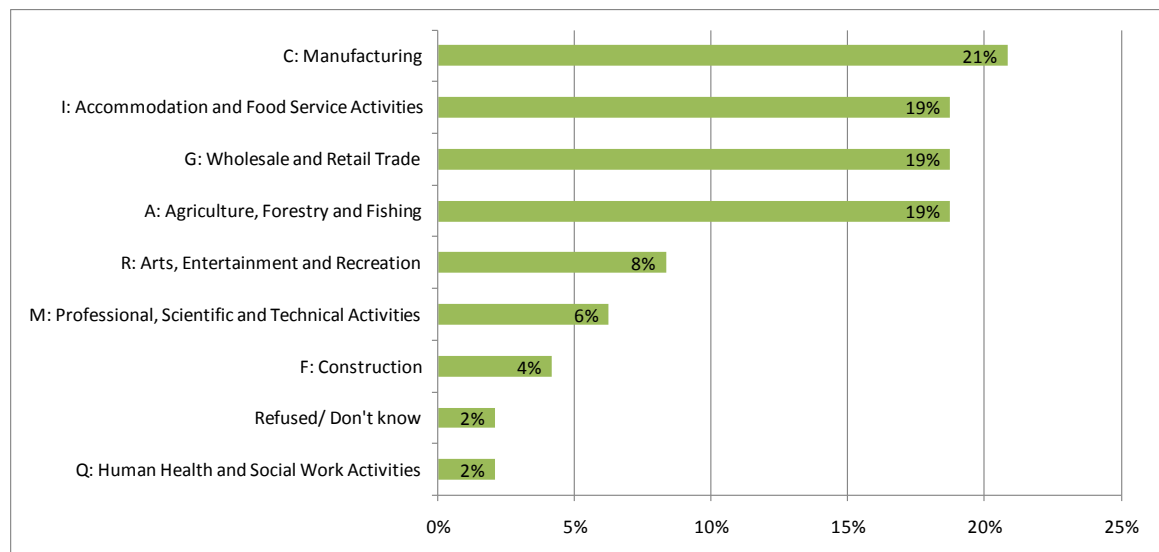
- The manufacturing sector accounted for 21% of businesses, the single most common sector. These firms were primarily small-scale craft manufacturers focussing on a niche market, for instance specialist furniture manufacturing;
- Reflecting the rural nature of the PDNP, 19% of survey respondents were from the agricultural sector, mainly livestock rearing;
- Accommodation and food services accounted for another 19% of firms, mainly the provision of self-catering accommodation and bed & breakfast facilities. The retail sector also accounted for 19% of survey respondents;
- Some 6% of respondents were from the professional services sector, which included such activities as an architectural practice. Whilst only a minority of firms fell within this sector, the presence of these knowledge-intensive firms within the National Park highlights the diversity of the rural economy.

Figure 4.2 L&WR Business Beneficiary Distribution



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File: S:\5000\5052 Peak District Live Work Rural Evaluation\B Project Working\GIS\Themes\Ar\GIS\5052-001_001_Mapping_of_Beneficiaries.mxd

Figure 4.3 2007 Standard Industrial Classification (SIC) classification of business beneficiaries of L&WR



Base = 49 businesses

4.2.2.5 Business growth ambitions

Over the next three years, almost three-quarters of businesses wanted to grow the business – more specifically, 32% wanted to grow the business ‘a little’ (expressed more often in terms of profit rather than increased employment) with 40% hoping to ‘substantially grow’. For one in ten, business survival was their ambition – whilst a further one in ten did not wish for the business to grow beyond its current size.

4.2.2.6 Barriers to business growth

The main barriers identified to business growth included:

- The economic climate which had led to lower than anticipated sales or bookings;
- Current business premises being unfit for purpose and a lack of suitable premises to move to or sell products in (particularly higher quality premises);
- Poor shop environments which are unappealing to shoppers;
- Planning constraints, including difficulties relating to renewable technologies;
- Accessing funding and grants, particularly in the current financial situation; and,
- Difficulties of marketing, including poor website performance.

4.2.3 Community beneficiaries

4.2.3.1 History of community support

A number of communities had previously received community planning support through the PDNPA - L&WR was therefore a way to continue to receive support. Few realised that the support received had been part of a wider programme of support, instead identifying that the support was received from a specific officer at the PDNPA.

Initial awareness of the programme varied, but tended to be based on the following factors:

- prior relationships with the PDNPA officers through Rural Community Planning;
- signposting from the PDNPA following contact from the community;
- signposting from other community groups; and,

- L&WR team members attending consultation events in communities.

Whilst many communities had approached other organisations for assistance, a majority stated that they were not aware of other organisations that could have provided a similar level of support. More specifically, one community stated they ‘doubted’ that any other organisation would have been able to provide the supporting role to their community village plan. For those who had received additional support, it was through Rural Action Derbyshire, with the L&WR team providing more targeted, ‘hands on’ support.

4.2.3.2 Community ambitions

Communities required wide ranging and flexible support, often including the following:

- signposting and support with funding applications;
- advice on business planning;
- planning advice for village shop or renewable energy proposals;
- development of village plans; and,
- help with the set up and delivery of consultation events.

For many, the support was viewed as an extension of previous support received through other PDNPA programmes, enabling the implementation of community planning priorities.

Case Study 4: Community Support in Hathersage

The village of Hathersage lies 10 miles from Sheffield in the Peak District, at the gateway to the Hope Valley. Community activity has been a feature of Hathersage for many years with, for example, a Memorial Hall Committee set up after World War I and, more recently, a Village Centre Group established in 2003. Community activity support in Hathersage precedes the support provided by L&WR, with previous assistance provided by Derbyshire Rural Action and the Rural Communities Council, as well as the PDNPA through their Rural Community Planning programme.

L&WR community support enabled community activity to be sustained and enhanced, enabling the village to further develop community projects through access to information, advice and practical assistance, such as staging consultations. A number of different community groups have accessed support through L&WR, including the Village Plan Steering Group, Village Centre Group and the Memorial Hall Committee. Support for these groups has included the following: expert advice regarding village and community planning; introduction and signposting to various organisations in the PDNP who could assist with community activities, including the PDNPA’s planning team, the CVS, local councils; signposting to grant funding streams; assistance with grant application forms; and help with running consultations e.g. provision of display boards, posting of letters.

As a result of the support, consultation events were deemed more successful, groups felt they were more knowledgeable and felt that they were more credible in the eyes of external funders. Whilst community beneficiaries felt that there had been little impact within their organisations in terms of increasing membership or attendees, they stated that support had definitively helped to ‘maintain the momentum’ of community activity and projects. Moreover, it had given communities the enthusiasm to continue with community level projects, increased their capacity to deliver projects and given them the confidence that they could make positive changes.

Community beneficiaries were overwhelmingly positive about the support received through L&WR in Hathersage. They did make a number of suggestions for improvement: improving access to small grant funding; improving access to networks of professionals or skilled people to provide more tailored, specific support; and promotion of the support made available, capturing the ‘lessons learnt’ and communicating this across the Peak District National Park.

4.3 Programme impacts

The impacts of L&WR are considered in two ways: the quantifiable economic impacts generated by the programme; and the less tangible, strategic or qualitative impacts.

4.3.1 Economic impacts

The economic impacts generated through L&WR have been measured using a methodology compliant with both the guidelines published by BIS⁴⁵, and the evaluation toolkit published by *emda*⁴⁶. Specific methodological points are included within the following sections on gross and net additional economic impacts - general assumptions are as follows:

- Data for the economic impact assessment have been derived from the beneficiary survey that was distributed to all businesses that had received support through L&WR as at December 2010. As discussed in Section 1.4, a total of 49 survey responses were received out of a population of 162 firms, meaning that the results presented in this section have a confidence interval of +/- 12 per cent at a 95 per cent level of confidence;
- Economic impact data have been presented in terms of the number of businesses created or safeguarded, the number of jobs created or safeguarded (full-time equivalent – FTE), and the value of GVA created or safeguarded. GVA has been calculated by applying GVA-to-turnover ratios to the turnover impacts reported by businesses⁴⁷. Ratios have been calculated for each business, based on their 2-digit 2007 Standard Industrial Classification of Economic Activities (SIC) code⁴⁸;
- Economic impact data have been grossed up from the survey results to the population for the programme (162 firms); and,
- All of the L&WR grants were match-funded by the businesses using their own resources, and thus economic impacts have been attributed to the public sector in their entirety. It has not been possible to attribute economic impacts to specific public sector agencies/funders.

4.3.1.1 Gross economic impacts

Data on gross economic impacts were collected from businesses through the beneficiary survey. Firms were asked to indicate their employment and annual turnover before they received support, at the time of the survey (February 2011), and hypothetically at the time of the survey had they not received support (to take account of the effect of wider economic conditions on businesses). If businesses had started up as a result of the support that they received through the programme, respondents were also asked whether they would have started up without the support that they received. Table 4.2 summarises the gross economic impacts achieved by L&WR to date.

⁴⁵ BIS (December 2009) RDA Evaluation: Practical Guidance on Implementing the Impact Evaluation Framework

⁴⁶ *emda* (March 2010) Toolkit for the Evaluation of *emda* Strategic Programmes 2007/08-2009/10

⁴⁷ It should be noted that a relatively small proportion of survey respondents were willing/ able to provide data on their turnover. Just 13 respondents provided complete turnover data, equal to a confidence interval of +/- 25.6 per cent at a 95 per cent level of confidence

⁴⁸ <http://www.statistics.gov.uk/abi/2008-data.asp>

Table 4.2 Gross business, employment and GVA impacts of L&WR to date (February 2011)

Economic impact indicator	Impacts achieved to date (February 2011)
Businesses created	25
Businesses safeguarded	8
Jobs created	46
Jobs safeguarded	25
Annual GVA created	£651,340
Annual GVA safeguarded	£397,676

Base = 162 business beneficiaries

4.3.1.2 Net Additional Economic Impacts

The following assumptions have been made in order to calculate the net additional economic impacts generated by L&WR:

- Two spatial units of analysis have been used throughout this economic impact assessment – the PDNP⁴⁹ and the East Midlands region⁵⁰;
- Deadweight describes the gross economic benefits that would have been generated by businesses regardless of the support provided through L&WR, specifically because beneficiaries would have been able to access alternative forms of support. To assess the deadweight effect, beneficiaries of support were asked whether they believed that they could have received this assistance from another source, and if so whether the quality of provision would have been similar, and whether this support would have been received in the same timeframe;
- Leakage results from economic benefits accruing outside of the two spatial units of analysis (the PDNP and the East Midlands region), for instance if jobs created or safeguarded as a result of the business support provided through the programme are filled by people living elsewhere. Leakage has been measured by asking businesses to indicate the proportion of their workforce who live outside of the two spatial units of analysis. Note that leakage has only been applied to employment impacts, since business and GVA impacts are fixed;
- Displacement takes place where impacts have been generated at the expense of non-beneficiaries, for instance if a business achieves growth by taking market share from another business within the two spatial units of analysis. Displacement has been measured by asking businesses to indicate the proportion of their direct competitors and the proportion of their customers who are based within the two spatial units of analysis; and,
- Economic multipliers are used to measure the additional economic impacts generated through the supply chain expenditure of loan recipients, or through the expenditure of their employees. In the absence of detailed information on the supply chain expenditure of businesses or the household expenditure patterns of employees, ready reckoners derived from existing research studies have been used, based on the benchmarks

⁴⁹ The Peak District National Park cannot easily be defined according to standard administrative boundaries, particularly in a way that businesses would be able to recognise and respond to. For this reason, for the beneficiary survey, the National Park has been defined as 'principally the local authorities of High Peak, Derbyshire Dales and Staffordshire Moorlands'

⁵⁰ Defined as the counties of: Derbyshire, Nottinghamshire, Leicestershire, Lincolnshire, Northamptonshire and Rutland

published by BIS⁵¹. For the PDNP area a multiplier of 1.21 has been used (the mean average for a sub-regional enterprise support programme), and for the East Midlands a multiplier of 1.44 has been used (the mean average for a regional enterprise support programme).

A summary of the resultant additionality factors for the PDNP is provided in Table 4.3, whilst Table 4.4 provides the same information for the East Midlands region:

- The deadweight associated with L&WR was comparatively low, ranging from 0 per cent to 26 per cent, depending on the impact measure (in the PDNP). Some 63 per cent of survey respondents indicated that they would not have generated any of the impacts reported if they had not received support from the programme (i.e. 0 per cent deadweight). Just 2 per cent of respondents noted that they would have achieved exactly the same impacts without the support provided (i.e. 100 per cent deadweight). The remainder noted that there would have been a delay in achieving these impacts;
- Leakage was also relatively low for the employment indicators, indicating that most of the jobs created/safeguarded were filled by people who lived in either the PDNP or the East Midlands region;
- Displacement was also comparatively low, ranging from 18 per cent to 35 per cent (in the PDNP). This result suggests that beneficiaries tended to compete primarily with companies located outside of the PDNP, rather than operating within small local markets. As discussed in Section 4.2.2.4, the businesses supported through L&WR included niche companies providing a specialised service or product (in addition to more traditional rural businesses such as farming and accommodation), which would account for this low level of displacement.

Table 4.5 summarises the net additional businesses, employment and GVA impacts achieved by the programme to date (February 2011) for the two spatial units of analysis:

- Within the PDNP, the support provided through the programme has, to date, created a total of 21 net additional businesses and safeguarded a further 8 firms (i.e. companies that reported that they would have closed without the assistance that they received);
- Similarly, a total of 28 jobs had been created and 13 existing jobs safeguarded within the National Park;
- The turnover generated/safeguarded as a result of the programme was equal to a net additional £613,200 worth of annual GVA within the PDNP.

⁵¹ BIS (December 2009) *Op cit.*

Table 4.3 Additionality factors used in the impact assessment (Peak District National Park)

Impact measure	Dead-weight (minus)	Leakage (minus)	Dis-placement (minus)	Multiplier (plus)	Gross to net ratio
Businesses created	12%	0%	18%	15%	85%
Businesses safeguarded	0%	0%	19%	17%	98%
Jobs created	14%	23%	26%	8%	61%
Jobs safeguarded	26%	15%	21%	8%	52%
Annual GVA created	18%	0%	31%	11%	62%
Annual GVA safeguarded	21%	0%	35%	9%	53%

Table 4.4 Additionality factors used in the impact assessment (East Midlands region)

Impact measure	Dead-weight (minus)	Leakage (minus)	Dis-placement (minus)	Multiplier (plus)	Gross to net ratio
Businesses created	12%	0%	35%	23%	76%
Businesses safeguarded	0%	0%	20%	35%	116%
Jobs created	14%	20%	35%	13%	63%
Jobs safeguarded	26%	16%	16%	19%	68%
Annual GVA created	18%	0%	33%	21%	69%
Annual GVA safeguarded	21%	0%	38%	18%	59%

Table 4.5 Net additional business, employment and GVA impacts achieved to date (Peak District National Park and the East Midlands) to date

Economic impact indicator	Within the Peak District National Park	Within the East Midlands region
Businesses created	21	19
Businesses safeguarded	8	9
Jobs created	28	29
Jobs safeguarded	13	17
Annual GVA created	£402,556	£451,901
Annual GVA safeguarded	£210,600	£235,701

4.3.1.3 Future economic impacts

A comprehensive assessment of the economic impacts of L&WR requires consideration of the future effects of the intervention. The analysis presented above has only provided a snapshot of the economic impacts of the programme as at February 2011, by which time many beneficiaries will only recently have received support. A number of assumptions have been made in order to assess the future economic impact:

- Beneficiaries were asked to indicate whether they expected their employment and annual turnover to increase over the next three years as a result of the support that they received;
- The benefits generated to date will also persist into the future, and so firms were asked to estimate how long they expected the employment and turnover effects of the support that they received to last for; and,
- In line with the guidance provided by the *emda* evaluation toolkit, the Net Present Value (NPV) of the GVA created and safeguarded by L&WR has been measured using a discount rate of 3.5 per cent. The base year used was the start of the programme (2009-10).

Table 4.6 shows the net additional economic impacts (business impacts have been excluded since they are a one-off impact) over the three timescales reviewed above. Note that the data are cumulative from left to right (i.e. that data including the persistence effect are the sum of the preceding two columns, together with the persistence effect), and that created/safeguarded impacts have been combined. Key observations are as follows:

- The data in Table 4.6 highlight the effect that taking into account future benefits has on the economic impacts generated by L&WR. To date 41 net additional jobs have been created/safeguarded in the PDNP; in three years time (i.e. by 2013/14), this will increase to 73 jobs as the improvements initiated by businesses impact on employment levels;
- Businesses also expect turnover to increase in the future, and this is reflected in the fact that by 2013-14 the net additional GVA created/ safeguarded by the programme is expected to increase to £747,200 per year; and,
- If the persistence of this GVA impact is taken into account (i.e. where companies estimate how long these benefits will persist for), the NPV of the total GVA created/ safeguarded in the National Park by the programme will amount to an estimated £4.8 million up to 10 years.⁵²

Table 4.6 Cumulative future net additional employment and GVA impacts of L&WR within the Peak District National Park and the East Midlands region

Economic impact indicator	Within Peak District National Park			Within the East Midlands region		
	To the present (2010/11)	Once all impacts realised	Including persistence effect	To the present (2010/11)	Once all impacts realised	Including persistence effect
Business impacts	29	-	-	28	-	-
Employment impacts	41	73	-	46	86	-
Annual GVA impacts	£613,155	£747,230	-	£687,602	£844,344	-
NPV of GVA impacts	£1,138,599	£2,499,299	£4,769,677	£1,276,843	£2,802,752	£5,348,788

Base = 162 business beneficiaries

⁵² The business survey included the following question: Approximately how long do you expect the employment and turnover impacts of the support that you received through the Live & Work Rural Programme to last for? Up to 3 years, 3-5 years, 5-10 years, over 10 years and Refused/ Don't Know. Each firm's response was then applied to their economic impact, so there is no single persistence figure.

4.3.1.4 Return on investment

As discussed in Section 3.1 the total expenditure of L&WR for the years 2008-09 to 2010-11 is projected to amount to £858,443. Additional expenditure will take place in the final year of the programme (2011-12) and additional impacts will be generated, so this is an *interim assessment of the return on investment to date* (as at February 2011). It should be noted that an assessment of return on investment is complicated since programme expenditure was allocated to activities that did not support businesses directly (e.g. the community support work). It has not been possible to monetise and include the impacts achieved through these activities, and so this is an underestimate of the impacts achieved by the programme.

With these issues in mind, Table 4.7 shows the return on investment achieved by L&WR to date (in the PDNP). The data show that:

- The creation/ safeguarding of a net additional business cost just under £30,000 of investment;
- The cost per net additional job created/ safeguarded was £20,800, or £11,800 if future job creation impacts are taken into account;
- Overall, the programme has resulted in the creation/ safeguarding of £1.33 of net additional GVA per £1 of expenditure, rising to £2.91 if future GVA creation is taken into account, and £5.56 with the inclusion of a persistence effect.

Table 4.7 Interim assessment of return on investment achieved by L&WR in the Peak District National Park (as at February 2011)

Return on investment indicator	To the present (2010/11)	Once all impacts realised	Including persistence effect
Cost per business created/ safeguarded	£29,867	-	-
Cost per job created/ safeguarded	£20,796	£11,796	-
Annual GVA created/ safeguarded per £1 spent	£0.71	£0.87	-
NPV of GVA created/ safeguarded per £1 spent	£1.33	£2.91	£5.56

Base = 162 business beneficiaries

Table 4.8 provides the same information for the East Midlands region as a whole.

Table 4.8 Interim assessment of return on investment achieved by L&WR in the East Midlands (as at February 2011)

Return on investment indicator	To the present (2010/11)	Once all impacts realised	Including persistence effect
Cost per business created/ safeguarded	£30,632	-	-
Cost per job created/ safeguarded	£18,655	£9,955	-
Annual GVA created/ safeguarded per £1 spent	£0.80	£0.98	-
NPV of GVA created/ safeguarded per £1 spent	£1.49	£3.26	£6.23

Base = 162 business beneficiaries

The diversity of programme activities means there are challenges in using standard benchmarks to judge the reasonableness of return on investment. For example, compared to:⁵³

⁵³ PWC (2008), Impact of RDA spending: national report. Volume 1: main report

- the evaluation of the impact of all RDA programmes undertaken by PWC estimated the impact on regional GVA (based on net achieved jobs created and safeguarded) of £7.30 for every £1 spent (compared with a regional figure for L&WR of £3.26 once all impacts are released);
- again based on the PWC evaluation, one of the highest achieved rate of return is as a result of interventions involving individual enterprise support, with an achieved return 12 to 1); and
- finally, a comparison against a basket of programmes included in the PWC evaluation, which did not fall easily into standard intervention types, as they were designed to be integrated programmes which combine activities that cover a variety of activities in a given geographical (and forming a useful proxy for L&WR), estimated the impact on GVA of £2.50 for every £1 spent.

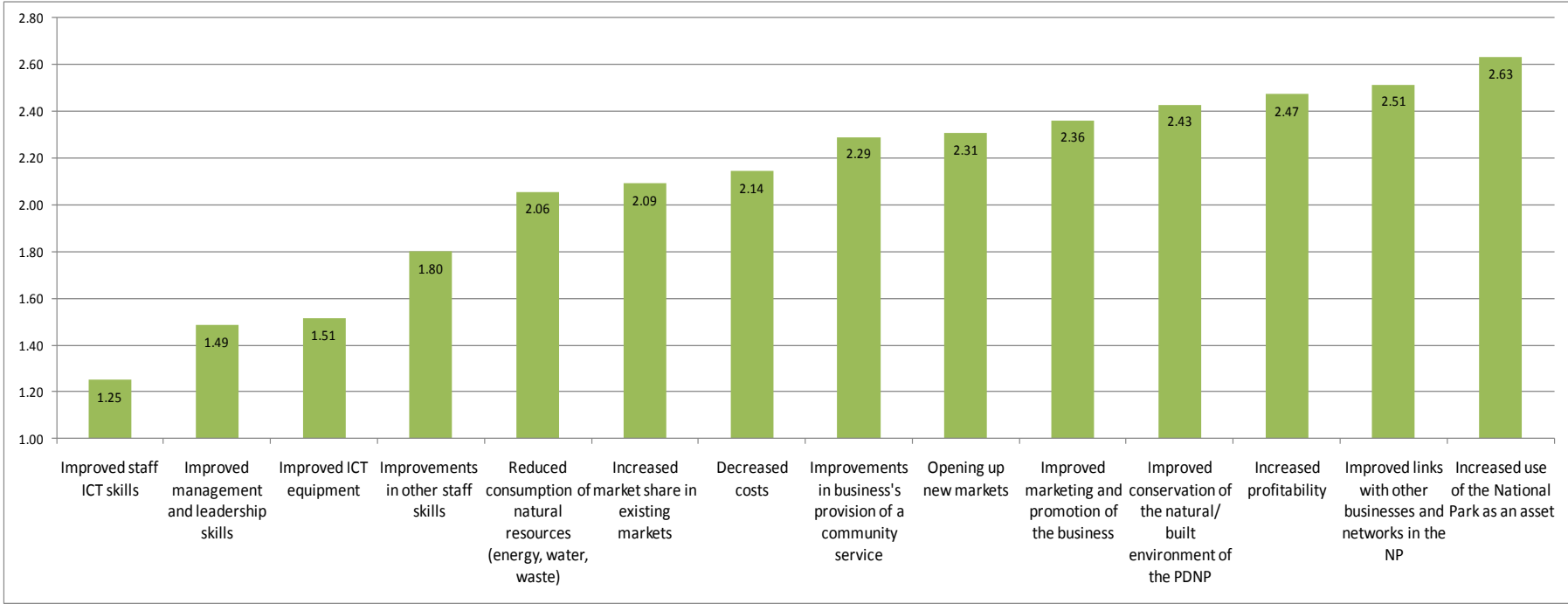
4.3.2 Other programme impacts

As reviewed in Section 2.3, L&WR is intended to be more than a way of generating traditional economic impacts, and encompasses a range of other business and community impacts. The capacity to provide services in rural areas is compromised, particularly in sparsely populated regions. Service costs are higher in rural areas and public bodies can lack the resources to meet expectations. Often central bodies are financially unprepared to underwrite the full costs of equal service delivery in rural areas and rural areas increasingly lack the political leverage to mobilise support in their favour. In this sub-section of the report we identify the wider business and community benefits of L&WR and the way it seeks to improve quality of life and generate productivity, employment and income.

As part of the business beneficiary survey, respondents were asked to rate the extent to which their involvement in L&WR had generated a set of predefined impacts. The results are shown in Figure 4.4:

- Businesses are increasingly using the National Park as an asset following involvement with L&WR (2.63), whilst also improving contact and relations with other businesses within the geographical unit (2.51);
- The environmental impact of the programme is felt through a reduction in the use of natural resources by PDNP businesses (2.06) and the conservation of the built and natural environment (2.43); and,
- The smallest impact has been on skills (ICT, management/leadership);
- The marketing and promotion of businesses highlighted as a barrier for growth in the PDNP, has been improved by L&WR to an extent (2.36).
- Support provided through L&WR improved the credibility of community organisations and their activity through increasing awareness and knowledge of community planning processes and enabling them to act in a more professional demeanour;
- Funding was identified as one way through which the support could be improved. Whilst support enabled community organisations to apply for funding from other sources, a pot of funding from the PDNPA itself could, it was suggested, be utilised to help village plan aspirations to be achieved and the National Park environment to be enhanced;
- Looking forward, respondents felt that funding would be main requirement of their community organisation (which may not be a surprising conclusion at a time of public expenditure cuts). Further improvements suggested included improved networks with other communities and being linked to skilled or professional people to share knowledge;
- A number of communities emphasised that they hope that similar community support is provided for the area, describing the support as 'invaluable' in enabling and facilitating community planning and development.

Figure 4.4 Average of business beneficiaries' scoring of the extent to which their involvement with L&WR had enabled them to achieve a selection of impacts (1 = to no extent and 4 = to a significant extent)



Base = 49 businesses

Community organisations were also asked to rate the extent to which their involvement in L&WR had generated a set of predefined impacts. The results are shown in Figure 4.5:

- There was often a positive impact on the profile of the village, town or community due to the support provided via L&WR, driven by involvement in schemes such as Village of the Year, promotion of community activities and stakeholder events;
- Support improved communities knowledge on where support or grant funding could be obtained;
- As a result of support, there has been improved civic engagement and local participation and a wider understanding of the needs of the community has been gleaned through consultation and information dissemination events; and,
- On the whole, community support has not had a large impact on community's usage of natural resources.

4.4 Strategic Added Value

Economic and community development initiatives such as business support tend to involve relatively small amounts of money in comparison with other areas of public expenditure (such as education and health) and the private sector economy. Yet the expectations for these interventions, in terms of their final outcomes and impacts, are often very considerable. As a result emphasis is placed on using funds to 'bend' or 'proof' mainstream delivery to meet the needs of areas or communities. This type of strategic activity is heavily dependent on the relationships between key partners and their willingness to align priorities, pool funds and share objectives.

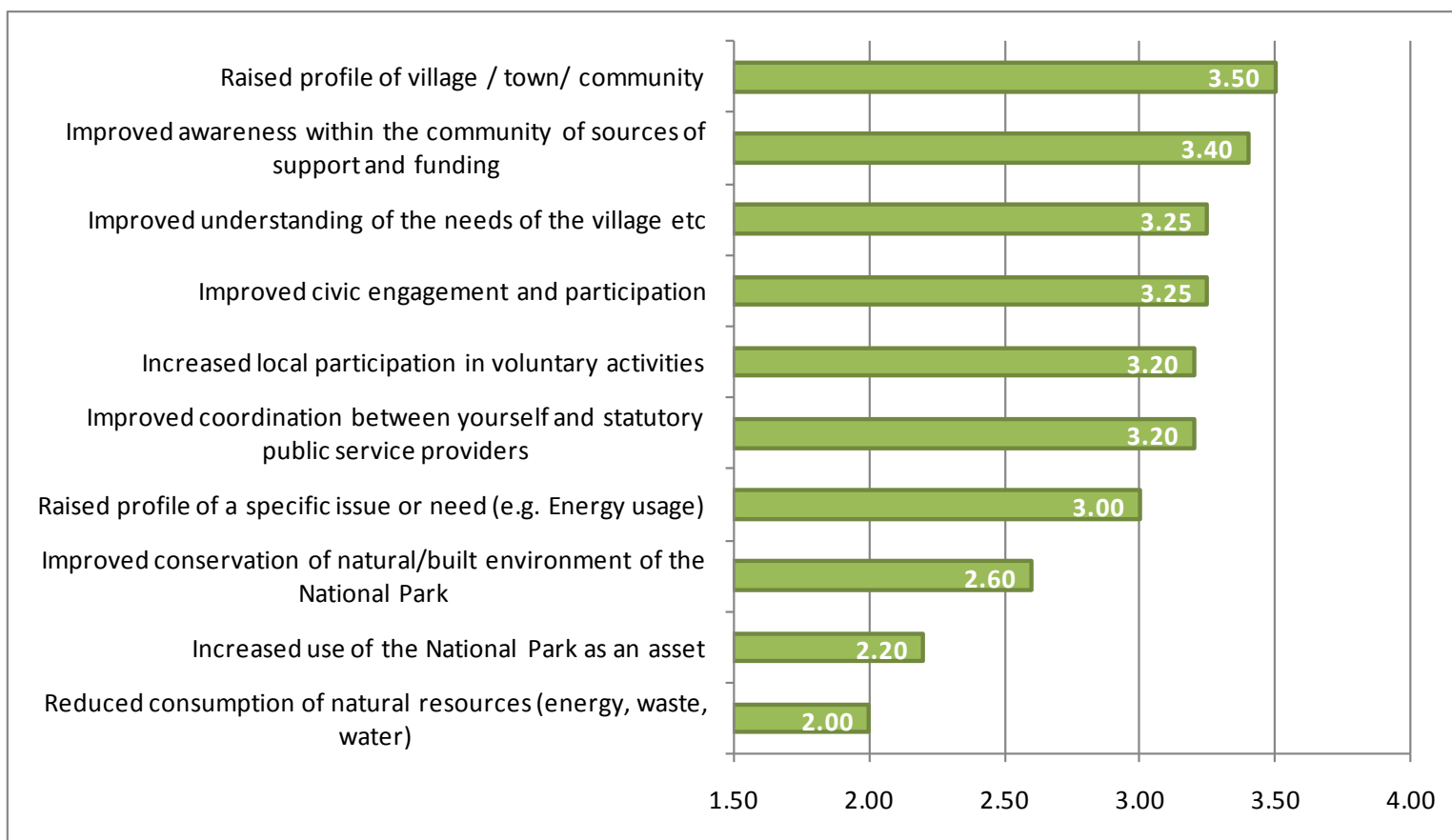
In this section of the report we assess the extent to which the PDNPA, through L&WR, was able to establish a strategic lead in driving economic performance (i.e. acting as a catalyst, bringing together regional and sub-regional partners, and promoting activities that ensure a more coherent, strategic approach).

We use the concept of Strategic Added Value (or SAV) to establish this. SAV is defined as the strategic impact that an organisation or partner activity has had through its activities. It is usually recognised in evaluation as:

- a *change in behaviour* or performance of partners and stakeholders achieved either through traditional project activity (e.g. leveraging extra resources) or non-project activity (e.g. research, strategy-making, lobbying etc); and/or,
- an indication of the *likely impact* of an individual programme long before traditional outputs can be evaluated, providing an early indication of the effectiveness of ongoing initiatives (e.g. partnership or dialogue leads to joint action, then coordinated activity, future pooling of resources, more coordinated delivery and (we expect) better outcomes for businesses, local communities, etc).

In our experience, clearly articulating the rationale and requirement for strategic activity and agreeing robust measures to monitor progress often assists in building support for shared, long term strategic objectives (e.g. moving away from the pursuit of immediate and parochial goals and towards shared priorities that cross organisational boundaries). Too often partners discount SAV activity because it is qualitative and long term and, as a result, fail to include robust measures of SAV in performance measurement and reporting.

Figure 4.5 Average of community organisations’ scoring of the extent to which their involvement with L&WR had enabled them to achieve a selection of impacts (1 = to no extent and 4 = to a significant extent)



Base = 8 community organisations⁵⁴

⁵⁴ Not all communities interviewed felt able to respond estimate the impact of L&WR on their community.

In Figure 4.6 we present the findings of our research into the strategic impact of the PDNPA through L&WR (Figure 4.7 highlights the relative importance of different aspects of SAV). From this we can deduce that:

- the most significant strategic impacts of the programme have been to reduce duplication and promote innovation in the delivery of services to businesses and communities in the PDNP;
- there was also strong support for the statement that the programme has generated information and knowledge which is of value to other organisations and this has or will influence the way that services are delivered in the future;
- there was also strong support for the rationale for intervention through the programme, with stakeholders suggesting that the PDNPA and partners had correctly highlighted the key challenges facing businesses and communities in the PDNP; and,
- the weakest area of strategic impact (although still scoring highly) was the extent to which inclusive networks and partnerships had been established.

We suggest that the final issue may reflect a lack of knowledge of the robust and accountable arrangements established to deliver the programme and the constant need to advertise the achievements of the programme through more outreach, particularly to the periphery of the National Park.

Conclusion 6: Strategic impact

We were told by stakeholders and business beneficiaries that L&WR had changed perceptions of the PDNPA, highlighting their role in the promotion of sustainable economic growth and community cohesion, when their experience had previously been in terms of planning and conservation. There was support for this holistic approach to development and the more expansive remit to PDNPA's duty to foster the economic and social wellbeing of communities.

4.5 Key findings

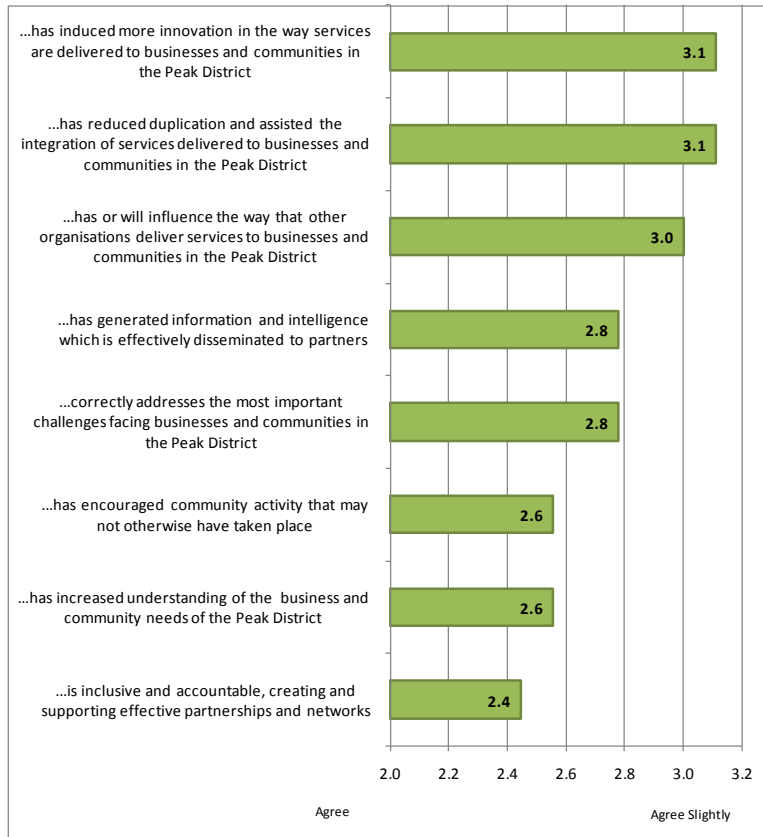
This section of the report reviewed the performance of L&WR against its output targets, and presented the results of the analysis of the impacts achieved by the programme. The net additional economic impacts generated in the Peak District Park by the 162 businesses that received support through L&WR were as follows (as at February 2011):

- 21 new business created and 8 existing businesses safeguarded;
- 28 new jobs created and 13 existing jobs safeguarded; and,
- £402,556 of annual GVA created and £210,600 of existing annual GVA safeguarded.

As far as was possible the study also attempted to measure the future economic impacts of the business support provided through L&WR. On this basis, it was estimated that in three years time the total number of jobs created and safeguarded in the PDNP will increase to 73 jobs, and the annual GVA created or safeguarded will increase to an estimated £2.5 million per year. If persistence effects are also included, the NPV of the GVA created and safeguarded in the PDNP increases to an estimated £4.8 million.

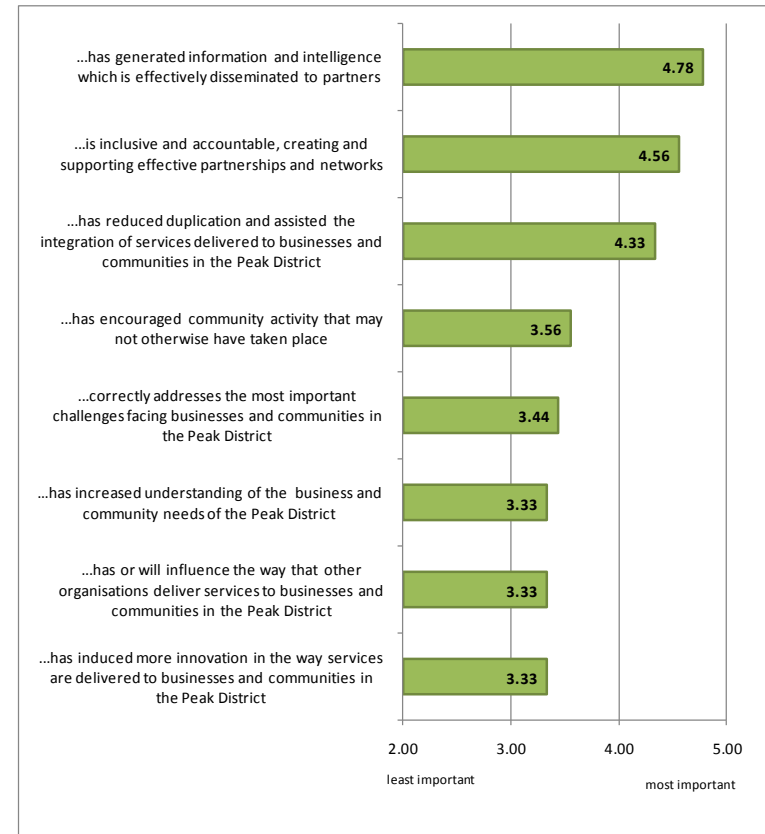
A comparison against a basket of programmes included in impact assessment of the RDAs, including those designed to be integrated programmes which combine activities that cover a variety of activities, highlights the return on investment for L&WR (which rises to 2.9 to 1 when future GVA creation is taken into account) compares favourably to the national figure of 2.5 to 1).

Figure 4.6 Extent to which stakeholders believe that ‘L&WR has...’
(1= agree strongly, 6 = disagree strongly)



Base = 9 stakeholders

Figure 4.7 Rank of statements relating to the Strategic Added Value of L&WR (1= least important statement, 8 = most important)



Base= 9 stakeholders

Alongside these economic impacts, L&WR also generated a number of other impacts through the support that was provided. Most communities engaged with the programme to continue activity which was already being undertaken. However the advantages of involvement include:

- improving access to information, advice and practical assistance (i.e. village and community planning, signposting to grants and assistance with applications, consultation); and,
- professional contacts, knowledge and networks (e.g. to planning through the PDNPA).

Community groups valued the flexibility and holistic nature of the support made available, which was tailored to their needs, and helped to maintain the momentum of existing community activity and ensure projects were implemented faster and in a more creative and effective way.

5 Assessment

This section draws together evidence from across the evaluation to assess interventions under L&WR against the interim evaluation objectives and questions (see Section 1.3). In the process we also look beyond the programme, whose funding comes to an end in March 2012, and highlight issues that must be addressed if activities are to be made sustainable. Annex 4 provides a more complete picture of the challenges facing the programme as it seeks to adapt to changing Government priorities and reduced funding.

5.1 The Impact of L&WR

As outlined in Section 4.1 L&WR has:

- already achieved three of its 19 output targets, with a further seven standing between 50% and 100%;
- a small number (4) output targets which are significantly behind schedule but the overall target number is relatively small (i.e. for instance the target number of social enterprise start ups is just four businesses);
- performed well against its core *emda* output targets, having achieved or exceeded all six of its targets even at this interim stage, and Key Performance Indicators;
- delivered more mixed results against targets for community outputs, with three having already been exceeded but three more being behind schedule (i.e. notably the number of new businesses joining the EQM scheme which has achieved 31% of the target at this interim stage).

We found that partners involved in delivery were either confident that targets would be reached or were already in the process of implementing corrective action and developing new delivery mechanisms.

The economic impacts generated through L&WR have been measured using a methodology compliant with both the guidelines issued by Government and *emda*. Data on gross economic impacts were collected from businesses through a beneficiary survey. We found, at this interim stage, the following gross impacts:

- 25 businesses had been created;
- 8 businesses had been safeguarded;
- 46 jobs had been created;
- 25 jobs had been safeguarded; and,
- £651,340 of annual GVA had been created and £397,676 had been safeguarded.

The net additional economic impacts generated by L&WR were also calculated. Taking account of a range of factors, the net turnover generated or safeguarded as a result of the programme was equal to £613,200 worth of annual GVA within the PDNP. A comprehensive assessment of the impact of the programme also requires our research to take reasonable account of the likelihood of future benefits and persistence of benefits. If the persistence of this GVA impact is taken into account, the total GVA created/ safeguarded in the PDNP will amount to an estimated £4.8 million.

Taking these findings into account, the return on investment (a performance measure used to evaluate the efficiency of investment) achieved by L&WR to date, in the PDNP, is as follows:

- The creation/safeguarding of a net additional business cost just under £30,000 of investment;
- The cost per net additional job created/ safeguarded was £20,800, or £11,800 if future job creation impacts are taken into account;

- Overall, the programme has resulted in the creation/ safeguarding of £1.33 of net additional GVA per £1 of expenditure, rising to £2.91 if future GVA creation is taken into account, and £5.56 with the inclusion of a persistence effect.

A comparison was made against a basket of programmes included in the impact assessment of the Regional Development Agencies. This included similar programmes that do not fall easily into standard intervention types and were designed to offer a variety of integrated activities in a given geographical area, thus forming a useful proxy. The return on investment for L&WR, standing at £2.91 for every £1 spent when future GVA creation is taken into account (our preferred measure at this interim stage of evaluation) compares favourably against the national figure of £2.50 for every £1 spent.

L&WR is intended to be more than a way of generating traditional economic impacts. The wider business and community benefits of the programme included the following:

- increasing use of the environmental characteristics of the PDNP as an asset;
- improving contact and relations with other businesses within the PDNP;
- improved marketing and promotion of businesses;
- an improvement in the 'credibility' of community organisations and their activity, due to increasing awareness and knowledge of community planning;

The need for additional funding to develop business ideas was identified as a continuing need of businesses. The support made available to community organisations to bid for funding was already having an impact, with additional funding ensuring that village plans were turning from an aspiration into a reality. We were told that increasing impact could be achieved through more vibrant and established networks between communities and within business sectors, where skilled or professional people could share knowledge;

5.2 The Management of L&WR

There was strong support for the rationale underpinning L&WR, with stakeholders suggesting that the PDNPA and partners had correctly highlighted the key challenges facing businesses and communities. The development of the programme and joint work between delivery partners was seen to have contributed to a reduction in duplication and the promotion of innovation in the delivery of services to businesses and communities. This was particularly noticeable in relation to referrals between this programme and Business Link, which had improved over time.

L&WR activities are divided into the following areas:

- Business Support (enterprise animation and micro-business support activity is to complement existing business support activity): Over two thirds of the businesses surveyed felt that no other agency or programme was able to offer a similar level of support.
- Community Support (advice and guidance for community organisations to deliver community planning work): Communities were overwhelmingly positive about the support received. Three-quarters of those interviewed stated that they were 'very satisfied' with support. Again, communities felt that they would not have been able to access a similar level of support elsewhere.
- Collaborations and Networks (encouragement for enterprises to engage with each other): We were told that the networks had improved the relationship and understanding between businesses and the programme team and would, over time, reduce barriers to market for new start up businesses.
- Environmental Support and Accreditation (tailored support to improve environmental performance, reduce costs and protect the environment): Although the number of expected outputs has not been achieved, for those who were involved there was a high level of satisfaction with the services provided (i.e. the quality of support provided by

L&WR was rated 3.67 out of 4 (where 4 is very satisfied)). Businesses felt the EQM scheme had helped to develop the environmental ethos of their business, improving their pride in the natural environment they work in.

- Business Grants (small grants to support business start ups and signposting to alternative sources of funding): Again, levels of satisfaction were high and businesses were satisfied with the level of grant available to them and the requirement to pay the remaining 60% of project costs themselves. Whilst the amount of paperwork was scored the lowest in terms of satisfaction, it was still rated over 3 showing that businesses were satisfied with the process on the whole.

There was strong support for the statement that L&WR had generated information and knowledge about the needs of rural businesses and communities which would be of value to other organisations. The 'lessons learnt' through the delivery of the programme should influence the way that other services are delivered in the future. It was suggested that the programme had changed perceptions of the PDNPA and highlighted their constructive role in promoting sustainable economic growth.

5.3 Taking a 'forward look' – future requirements

The L&WR was established through funding by *emda* and the PDNPA, who contribute the majority of the funding available (£595,000 and £456,500 respectively, out of a total programme budget of £1,253,500). Private sector beneficiaries are expected to commit some £135,000 in match-funding for grants and a long tail of other partners⁵⁵ provide the remainder of the programme funds.

There have been significant changes to the delivery of sub-national economic development, the support made available to rural areas and public expenditure since L&WR was established, notably:

- *emda*, the largest programme funder, is expected to be abolished by March 2012, along with other Regional Development Agencies (RDA). A skeleton staff, focussed on managing the transfer of projects and assets, will be in place from the autumn of 2011;
- Significant aspects of sub-national economic development and business support will no longer be delivered at the regional level. A key partner in the development of the programme, Business Link, will be replaced by a state-funded online platform plus greater use of the private sector and other service providers; and,
- Local Enterprise Partnerships (LEPs) have been established to provide strategic leadership in their areas and establish local economic priorities. The responsibilities of RDAs will not be passed over wholesale to LEPs. Instead they are expected, for example, to set out key investment priorities, coordinating proposals or bidding, and supporting high growth businesses.

A Regional Growth Fund has been introduced, which makes available, through a competitive process, £1.4 billion over three years from 2011-12 to 2013-14 (this compares with an annual budget for RDAs of £2.4 billion, of which operating costs were relatively small). The purpose of RGF is described in terms of stimulating private sector investment by providing support for projects that offer significant potential for long term economic growth and the creation of additional sustainable private sector jobs. The Fund will help support those areas and communities that are currently dependent on the public sector to make the transition to private sector led growth and prosperity.

⁵⁵ The Destination Marketing Partnership; Natural England; the University of Derby; The High Peak Borough Council; and the Derbyshire Dales District Council

Conclusion 7: SME business support and innovation

There is growing recognition that entrepreneurship and small firm development promotes innovation and in so doing meets local economic and social objectives for employment.⁵⁶ L&WR was established to complement the support provided through Business Link. With its abolition, and the proposal to consolidate business support through a nationally managed online service to customers backed up by a telephone helpline (by 25 November 2011), we recommend that PDNPA and partners explore the potential to expand the business support offer beyond business animation and to include one or more of the following:

- promoting greater access to finance for new and small firms through advice and policy responses such as grants, loans, loan guarantees, mezzanine finance, seed capital, venture capital, business angel finance and investor readiness programmes; and/or,
- recognising the latent potential in SMEs, focus innovation support to high-growth potential enterprises by increasing their capacity to absorb knowledge through knowledge transfer partnerships and networking opportunities

Local groups of councils and business leaders have now come together to form local enterprise partnerships (LEPs). It is intended that these new bodies will be key to the delivery of economic development at a sub-national level, including responsibility for Regional Growth Fund spend and provision of local business support. It is therefore vital for partners in the Peak District National Park to come together and influence the plans to deliver business support, either through a dedicated programme or by 'rural proofing' mainstream plans.

There is support from stakeholders and businesses to support SMEs to upgrade their skills to make incremental improvements in products, processes, organisational methods and marketing approaches through better access to training (i.e. in small business management, strategic skills (such as decision-making and opportunity recognition) and entrepreneurial traits (such as leadership and creativity).

In addition, significant reductions have been made to public expenditure following the emergency Budget and Comprehensive Spending Review in 2011. All National Park Authorities are funded directly by Defra, the Government Department for Environment, Food and Rural Affairs. The grant in 2010-11 was £8.1m and, in addition, £200,000 of additional funding was made available through the Sustainable Development Fund. In addition to this grant, the National Parks charge fees for certain services, such as planning applications and car parking, and they earn income from some of the properties owned, through for example tenant farms.

Following the General Election in May 2010, the Government made some significant decisions on spending:

- Defra immediately announced, in June 2010, a 5% across the board cut in all Defra agency budgets (including National Parks); and,
- In the Spending Review in October, the Chancellor announced that Defra's Programme budget was to be cut by 29%.

The implications of the cuts are that the PDNPA's budget will decline by 21.5% or 28.5% in real terms taking into account inflation. This means a cut of nearly £2m over the next 4 years.

This will, of course, lead to significant changes in service delivery and require efficiency savings or productivity improvements (for example, through accelerating property disposals, reducing the costs of visitor centres, staffing cuts across all areas and reviewing grants). And, in addition, many of the partners involved in the delivery of L&WR, not just those dependent on funding through *emda*, will face their own significant reductions in grant from Government.

⁵⁶ Research has shown that success rates are higher for strategies that focus on helping existing firms in a community prosper and grow, than for trying to attract new firms through inward investment or stimulate entrepreneurship.

5.4 Implications

This leaves the PDNPA and its partners with a more significant challenge, to sustain a programme which is valued by communities and businesses, while traditional sources of funding and support have been removed. In the discussion paper included in Annex 4 we outline a number of options available to the PDNPA. These can be summarised in the following terms:

- The de minimis position: Which would involve terminating programme activities as funding from *emda* and other partners ends in March 2012;
- Maintain existing programme activities: Which would involve maintaining the programme in its current form and seeking alternative forms of funding (i.e. potentially through a bid to the Regional Growth Fund or increased/new charges for services);
- Focus activities: While one of the most appealing aspects of the programme is its holistic approach, more limited resources and an increasing emphasis on delivering jobs and economic growth may demand that some activities are terminated or embedded through the work of other agencies. For example, the aim should be to focus funding on the economic well being of local communities, through the establishment of innovation hubs/networks, business advice and enterprise animation; and,
- Influence mainstream provision: Building on approaches taken through the rural proofing of policy and programmes, the PDNPA and partners would seek to influence other agencies at a national and local level (i.e. Defra, BIS, CLG and (perhaps most significantly) LEPs).

5.5 Recommendation

The options presented above are, of course, not mutually exclusive and (to a lesser or greater extent) depend on accessing additional funding from other sources. Annex 4, and the options outlined above, is presented as a contribution to the debate that must take place in the next three to six months on the future of L&WR.

Based on our interviews with partners, stakeholders and beneficiaries and the results of our interim impact evaluation, our recommendation is to focus activities on the economic well being of local communities. We believe there is sufficient evidence in the previous sections, particularly the assessment of economic impact, to enhance the support made available to assist local businesses to expand, thereby creating new jobs and promoting opportunities for future investment. Indeed, the changes to business support may well make the extension of advice to small firms (particularly those with high growth potential) even more important. Although facing significant cuts to available budgets and increasing costs, civil society organisations and those who support the sector may be better placed to deliver community support activities over the medium to long term. Whatever decision is made, there remains a significant opportunity for the PDNPA, potentially working with other National Park Authorities, to influence the plans and programmes of other agencies (indeed as many aspects of economic development policy and programmes are, in effect, 'nationalised' this must become a priority for action).

ANNEXES

Annex 1 List of Consultees

Live & Work Rural Programme Team, PDNPA:

- Suzanne Fletcher, Team Leader
- Lindsay Allen, Senior Officer
- Dan Yates, Officer (Business and Community support)
- Adele Metcalfe, Officer (Business and Community Support)
- Faith Johnson, Officer (EQM and Environmental Support)
- Jane Chapman, External Relations
- Pat Coleman, Lead Member for the Economy
- John Lomas, Director of Development Control & Director Champion for L&WR

Wider Stakeholders:

- Lucy Pike, *emda*
- Sonja Smith, Derbyshire Economic Partnership
- Amanda Brown, LEADER Co-ordinator, Derbyshire Economic Partnership
- Simon Fussell, Team Leader, Business Link
- Paul Stuart, Area Manager for Derbyshire Business Link
- Heather Bradford, Business Link Advisor
- Chris Calladine, Business Link Start Up
- Neil Moulden, Chief Executive - Derbyshire Dales CVS, PPfRA
- Joe Dugdale, Rural Action Derbyshire Officer, PPfRA
- Julia Cook, Manager, Farming Life Centre
- Lesley Savage, Staffordshire Moorlands CVS
- Kevin Skingsley, High Peak CVS
- Lindsay Rae, Quality, Skills and Business Support Manager, Destination Management Partnership for Peak District and Derbyshire
- Giles Dann, Derbyshire Dales District Council
- Andrew Shirley, The Country Land and Business Association
- Jon Stewart, Natural England
- Carol Robinson, Friends of the Peak District

Annex 2 Business beneficiary survey instrument

GHK Consulting has been commissioned by the Peak District National Park Authority to undertake an evaluation of their Live & Work Rural Programme. The Live & Work Programme was launched in 2009 and provides support to entrepreneurs, businesses and communities located in and around the Peak District National Park. The purpose of this evaluation is to assess the effectiveness and impact of the programme, to investigate business needs, and to identify potential areas for improvement as the programme continues.

As part of this evaluation, GHK is carrying out interviews with businesses that have received support through the Live & Work Rural Programme. We would be very grateful if you could spare 20-25 minutes of your time to answer a number of questions about your experience of the programme.

Your responses will be treated in the very strictest of confidence and will not be made available to any third party that would enable the identification of any individual respondent. The information that you provide will only be used for the purposes of this evaluation.

If you have any further questions about this survey, or the study more broadly, please do not hesitate to contact the study manager from GHK Consulting (James Leather at james.leather@ghkint.com or on 020 7611 1116).

Business background

Please provide the following background information about your business?

Your name:

The name of your business:

The postcode of your business:

When did the business start trading?

.....month.....year

Not started trading yet

Refused/ Don't Know

What is the legal status of the business? Is it a... (TICK ONE):

Sole trader

Private company limited by guarantee

Private company limited by shares (Ltd)

Public Limited Company (plc)

Partnership

Limited Liability Partnership

Community Interest Company (CIC) (Limited by guarantee or shares)

Industrial and Provident Society (cooperative or community benefit)

Trust

Unincorporated Association

Refused/ Don't know

What is the main activity or main service provided by the business?

.....

Refused/ Don't know

Does your business do any of the following?

	Yes	No
Provide a community service? PLEASE DESCRIBE:	<input type="checkbox"/>	<input type="checkbox"/>
Improve the local environment? PLEASE DESCRIBE:	<input type="checkbox"/>	<input type="checkbox"/>
Refused/ Don't know		<input type="checkbox"/>

Which of the following statements best describes your growth ambitions for the business in the next 2 to 3 years? TICK ONE:

You are focused on ensuring the survival of the business	<input type="checkbox"/>
You do not wish to grow the business beyond its current size	<input type="checkbox"/>
You wish to grow the business a little	<input type="checkbox"/>
You wish to grow the business substantially	<input type="checkbox"/>
Refused/ Don't know	<input type="checkbox"/>

Has your business experienced any barriers to growth?

.....

Refused/ Don't know

Your introduction to and expectations of the Live & Work Rural Programme

How did you first become aware of the Live & Work Rural Programme?

Through an existing relationship with the programme team	<input type="checkbox"/>
Through a public sector support service (e.g. Business Link, LEADER) (WHO?)	<input type="checkbox"/>
Through another company or business group	<input type="checkbox"/>
Through promotional/ marketing material (e.g. newspaper adverts)	<input type="checkbox"/>
Through your own research (e.g. an internet search)	<input type="checkbox"/>
At an event (please describe)	<input type="checkbox"/>
Through an accountant, bank or similar professional body	<input type="checkbox"/>
Other (please describe)	<input type="checkbox"/>
Refused/ Don't know	<input type="checkbox"/>

What were your motivations for becoming involved in the Live & Work Rural Programme? Please rate using a scale of 1 to 4, where 1 is "not at all important" and 4 is "very important":

For advice on the development of a business idea:(1-4)
For advice on how to start a business:(1-4)
For advice on business planning:(1-4)

- For advice on marketing:(1-4)
- For advice on ICT equipment and/or to receive ICT training:(1-4)
- For advice on management skills and/or to receive training:(1-4)
- For advice on the environment/ resource efficiency:(1-4)
- For support in achieving the Peak District EQM award:(1-4)
- To identify another public sector agency who could help you:(1-4)
- To develop links with other businesses:(1-4)
- To receive funding advice:(1-4)
- To access a Live & Work Rural grant:(1-4)
- Other (please describe):(1-4)

.....

Refused/ Don't know

Before you first contacted the Live & Work Rural programme team, did you first investigate whether your needs could be met by any of the following? In each case please indicate whether you were unaware that they could help, whether you approached them, and if so what the outcome was:

	Unaware that they could help	Aware they could help but did not approach	Approached but needed further support
Business Link	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Another public sector agency (WHO?)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
.....			
Private sector support (consultant, accountant, bank)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other (WRITE IN):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
.....			

Refused/ Don't know

If you approached any of these sources for support, why did you need support from the Live & Work Rural programme?

.....

Refused/ Don't know

If you received a Live & Work Rural programme grant, before applying for this grant did you try to obtain finance from any of the following sources, and if so what was the outcome?

	Did not try	Tried successfully	Tried unsuccessfully
Your own savings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Friends and family	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A credit card	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A bank or building society overdraft facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

A bank or personal loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A grant from the LEADER programme	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A grant from another public sector programme (please name):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
.....			
Another source (please name):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
.....			
		Refused/ Don't know	<input type="checkbox"/>

If you were successful in obtaining finance from any of these sources, why did you apply for your Live & Work Rural grant?

.....

Refused/ Don't know

Your experiences of the Live & Work Rural Programme

Which of the following services did you receive through the Live & Work Rural programme? For each service that you received, please indicate how satisfied you were, using a scale of 1 to 4 where 1 is "very unsatisfied" and 4 is "very satisfied":

	Did not receive the service	Received the service – please rate
Support with the development of a business idea	<input type="checkbox"/>(1-4)
Advice on starting a business	<input type="checkbox"/>(1-4)
Advice on business planning	<input type="checkbox"/>(1-4)
Advice on marketing	<input type="checkbox"/>(1-4)
Advice on ICT equipment and/or ICT training	<input type="checkbox"/>(1-4)
Advice on management skills and/or skills training	<input type="checkbox"/>(1-4)
Advice on the environment/ resource efficiency (energy, waste, water)	<input type="checkbox"/>(1-4)
Advice/ support on achieving the Peak District EQM award	<input type="checkbox"/>(1-4)
Signposting to another public sector agency who could help you (please name):	<input type="checkbox"/>(1-4)
.....		
Introduction to other businesses	<input type="checkbox"/>(1-4)
Funding and/or grant advice	<input type="checkbox"/>(1-4)
The Live & Work Rural grant	<input type="checkbox"/>(1-4)
Another service (please name):	<input type="checkbox"/>(1-4)
.....		
		Refused/ Don't know <input type="checkbox"/>

If you had not been involved with the Live & Work Rural Programme, do you think that you would have been able to access the service(s) that you received from another source or sources?

Not at all

- Yes (please indicate who), but with a delay
.....
- Yes (please indicate who), but to a lower standard
.....
- Yes (please indicate who), to the same standard and within the same timeframe
.....
- Refused/ Don't know

If you received a Live & Work Rural Programme grant, how satisfied were you with the following aspects of the grant? Please use a scale of 1 to 4, where 1 is “very unsatisfied” and 4 is “very satisfied”:

- The maximum size of grant available (£3,500):(1-4)
- The grant was up to 40% of project costs:(1-4)
- The amount of paperwork that had to be completed:(1-4)
- The time taken from grant application to approval:(1-4)
- Refused/ Don't know

Can you think of any improvements that you would like to see made to the services that you received through the Live & Work Rural Programme? If so, please provide details:

-
- Refused/ Don't know

Are there any other types of support or services that you think your business will need in the future? If so please describe them:

-
- Refused/ Don't know

The Peak District Environmental Quality Mark

Which of the following describes your current status?

- Already a Peak District EQM award holder
- Applying to be a Peak District EQM award holder
- Interested in becoming a Peak District EQM award holder
- None of the above
- Refused/ Don't Know

If you are not an EQM award holder or an applicant, why is this?

- Unaware of the scheme
- Another reason (please explain)
.....
- Refused/ Don't Know

NOW PLEASE GO TO QUESTION 5.1

If you are an EQM award holder or an applicant, what were your motivations for becoming involved in the scheme? Please rate using a scale of 1 to 4, where 1 is “not at all important” and 4 is “very important”:

- To increase sales:(1-4)
- To reduce costs through resource efficiency:(1-4)
- To build commercial links with other local businesses:(1-4)
- For the publicity/ for use as a marketing tool:(1-4)
- To reduce consumption of natural resources (energy, water, waste):(1-4)
- To conserve the natural environment:(1-4)
- To conserve the built environment:(1-4)
- To show customers your commitment to the National Park environment:(1-4)
- Other (please describe):(1-4)

.....

Refused/ Don't know

How satisfied are you with the following aspects of the Peak District EQM scheme? Please use a scale of 1 to 4, where 1 is “very unsatisfied” and 4 is “very satisfied”:

- The quality of the support provided by the L&WR team:(1-4)
- The time/ resources needed to apply:(1-4)
- The time taken from application to approval:(1-4)
- The promotion of the EQM scheme by the PDNPA:(1-4)

Refused/ Don't know

How often do you think the Peak District EQM award renewal period should be?

- Every year
- Every 2 years
- Every 3 years
- Refused/ Don't Know

Can you think of any improvements that you would like to see made to the Peak District EQM scheme? If so, please provide details:

.....

Refused/ Don't know

Would you be willing to pay an annual subscription to be a Peak District EQM award holder, and if so what would be the maximum amount you would pay?

- Would not be willing to pay a subscription
- Would be willing to pay, up to a maximum of £.....per year
- Refused/ Don't Know

Employment/ turnover impacts on your business

If you received support from the Live & Work Rural Programme to start up a business, how likely is it that the business would have started up if you had not received this support? TICK ONE:

- The business would **definitely** have started anyway
- The business would **probably** have started anyway
- The business would **possibly** have started anyway
- The business would have started, but at a **later** date
- The business would definitely **not** have started
- Not relevant
- Refused/ Don't know

Including yourself, how many people are employed at the business?

- Before you received support:.....full-time.....part-time
- Now:.....full-time.....part-time
- Refused/ Don't know

If you had not received support from the Live & Work Rural Programme, how many people do you think that the business would currently employ? Again please include yourself:

-full-time.....part-time
- The business would not have started
- The business would have closed
- Refused/ Don't know

Over the next three years, do you think that the number of people that the business employs will change as a result of the support that you received through the Live & Work Rural Programme? Again please include yourself (note: this needs to be the amount attributable to the programme, it is possible that total employment might change at a different rate):

- Will increase by full-time jobs and/orpart-time jobs
- Will decrease by full-time jobs and/orpart-time jobs
- Will stay exactly the same
- Refused/ Don't know

Please indicate the annual turnover of the business (note: it is important that we get actual turnover data, if necessary please provide a rounded estimate)

Before you received support: £.....
 Now: £.....

If you had not received support through the Live & Work Rural Programme, what do you think the annual turnover of the business would currently be? (Note: please provide an actual number if possible, or an estimate of the % difference):

- £.....
-% higher
-% lower
- Refused/ Don't know

Over the next three years, do you think that the annual turnover of the business will change as a result of the support provided through the Live & Work Rural Programme? (Note: this needs



to be the amount attributable to the programme, it is possible that total turnover might change at a different rate)

- Will increase by £ or%
- Will decrease by £ or%
- Will stay exactly the same
- Refused/ Don't know

Approximately how long do you expect the employment and turnover impacts of the support that you received through the Live & Work Rural Programme to last for?

- Up to 3 years
- 3-5 years
- 5-10 years
- Over 10 years
- Refused/ Don't Know

More broadly, to what extent has the support that your business received through the Live & Work Rural Programme resulted in the following impacts (or it will in the next 3 years). Please use a scale of 1 to 4 where 1 is equal to "to no extent" and 4 is equal to "to a significant extent":

- Decreased costs:(1-4)
- Increased profitability:(1-4)
- Increased market share in existing markets:(1-4)
- Opening up new markets:(1-4)
- Improved links with other businesses and networks in the National Park:(1-4)
- Improved ICT equipment:(1-4)
- Improved marketing and promotion of the business:(1-4)
- Improved management and leadership skills:(1-4)
- Improved staff ICT skills:(1-4)
- Improvements in other staff skills:(1-4)
- Reduced consumption of natural resources (energy, water, waste):(1-4)
- Improved conservation of the natural/built environment of the Peak District National Park:(1-4)
- Improvements in business's provision of a community service:(1-4)
- Increased use of the National Park as an asset:(1-4)
- Other (please describe):(1-4)
-
- Refused/ Don't know

Please estimate the proportion of the following who are located within the Peak District National Park (i.e. principally the local authorities of High Peak, Derbyshire Dales and Staffordshire Moorlands). If unable to estimate please use bands – 0-25%, 26-50%, 51-75%, 76-100%:



- Your direct competitors:% Refused/ Don't Know
- Your customers:% Refused/ Don't Know
- Your suppliers:% Refused/ Don't Know
- Your employees:% Refused/ Don't Know

Please estimate the proportion of the following who are located within the East Midlands region (Derbyshire, Nottinghamshire, Leicestershire, Lincolnshire, Northamptonshire and Rutland). If unable to estimate please use bands – 0-25%, 26-50%, 51-75%, 76-100%:

- Your direct competitors:% Refused/ Don't Know
- Your customers:% Refused/ Don't Know
- Your suppliers:% Refused/ Don't Know
- Your employees:% Refused/ Don't Know

Conclusions

What would you say are the 2 best things about the Live & Work Rural Programme?
.....

What would you say are the 2 worst things about the Live & Work Rural Programme?
.....

In a sentence or two, please describe what the support that you received from the Live & Work Programme has done for you and/ or your business:
.....

Is there anything else that you would like to add?
.....

Annex 3 Community beneficiary survey instrument

GHK Consulting has been commissioned by the Peak District National Park Authority to undertake an evaluation of their Live & Work Rural Programme. The Live & Work programme was launched in 2009 and provides support to entrepreneurs, businesses and communities located in and around the Peak District National Park. The purpose of this evaluation is to assess the effectiveness and impact of the programme, to investigate community needs, and to identify potential areas for improvement as the programme continues.

As part of this evaluation, GHK is carrying out interviews with community beneficiaries that have received support through the Live & Work Rural Programme. We would be very grateful if you could spare 20-25 minutes of your time to answer a number of questions about your experience of the programme.

Your responses will be treated in the very strictest of confidence and will not be made available to any third party that would enable the identification of any individual respondent. The information that you provide will only be used for the purposes of this evaluation.

If you have any further questions about this survey, or the study more broadly, please do not hesitate to contact the study manager from GHK Consulting (James Leather at james.leather@ghkint.com or on 020 7611 1116).

Please describe the origins of your community organisation (when it was started, purpose, membership/ employees, location etc). Does it pre-date the L&WR programme? What has your community group been doing that needed support through L&WR?

.....

Your introduction to and expectations of the Live & Work Rural programme

Please describe how you first become aware of the Live & Work Rural Programme, and how you initiated contact with the team. For example, were you referred from another organisation? (If so who?)

.....

What were your motivations for becoming involved in the Live & Work Rural Programme? What was the ‘problem’ that you were looking to resolve? How had this problem come about?

.....

Before you contacted the Live & Work Rural programme team, did you first investigate whether your needs could have been met by another source? If so who, and why did you still need support from Live & Work Rural? In particular, why were statutory providers of public services unable to help?

.....

Your experiences of the live & work rural programme

What services did you receive from the Live & Work Rural programme team? Please describe each of these in detail, indicating from whom you received support, where, when and what this support consisted of (e.g. planning advice, support with hosting an event/ consultation, signposting to another source of information, advice on funding etc).

.....

Please rate the service that you received on a scale of 1 to 4, where 1 is “very unsatisfied” and 4 is “very satisfied”:

.....

If you had not been involved with the Live & Work Rural Programme, do you think that you would have been able to access the service(s) that you received from another source or sources? If so would there have been a delay? Would the support have been less effective?

.....

Can you think of any improvements that you would like to see made to the services that you received through the Live & Work Rural Programme? If so, please provide details:

.....

The Peak District Environmental Quality Mark (PDEQM) scheme is currently only open to businesses. If membership were broadened, would your community organisation be interested in becoming an award holder?

.....

Are there any other types of support or services that you think your community organisation will need in the future? If so please describe them:

.....

Impacts of the Support received

What have been the impacts of the support that you received through the Live & Work Rural Programme on your community organisation? Please describe the effects in terms changes to: membership/ employees, scope of activity, skills and capacity to deliver, frequency of meetings or activities, number of attendees to any meetings etc.

.....

What have been the impacts of the support that you received on your local community? Please describe the impacts in terms of projects delivered, the beneficiaries, the effects on residents, the provision of community services etc.

.....

What have been the impacts of the support you received on the environment of the Peak District National Park? Please describe the effects in terms of the consumption of water and energy, waste management and recycling, the conservation of the physical and urban environment, biodiversity etc.

.....

To what extent has your involvement with the Live & Work Rural Programme had the following impacts (please use a scale of 1 to 4, where 1 is equal to “to no extent” and 4 is equal to “to a significant extent”):

- Improved coordination between yourself and statutory public service providers:(1-4)
- Improved awareness within the community of sources of support and funding:(1-4)
- Increased local participation in voluntary activities:(1-4)
- Improved civic engagement and participation:(1-4)
- Raised profile of village/ town/ community:(1-4)
- Improved understanding of the needs of the village etc:(1-4)
- Raised profile of a specific issue or need (e.g. energy usage):(1-4)
- Reduced consumption of natural resources (energy, water, waste):(1-4)
- Improved conservation of natural/built environment of the National Park:(1-4)
- Increased use of the National Park as an asset:(1-4)



Conclusions

What would you say are the 2 best things about the Live & Work Rural Programme?

.....

What would you say are the 2 worst things about the Live & Work Rural Programme?

.....

Is there anything else that you would like to add?

.....

Annex 4 Discussion Paper

This paper sets the scene for consideration of rural business support and community renewal policy. It forms part of the interim programme evaluation of the Live & Work Rural Programme, which asks for a review of the future requirements for any successor support programme beyond March 2012, taking into account organisational and economic changes. It is intended to stimulate discussion around the challenge of embedding and sustaining the progress made through the Programme and the contribution of similar programmes in promoting rural competitiveness. It addresses four issues:

- Briefly, an overview of the key features of rural economies and the rationale for a dedicated programme of activity to support them;
- An overview of the way policy has been developed and implemented in recent years, including the hierarchy of organisations involved, including a review of mechanisms to mainstream rural issues through policy and service delivery;
- An assessment of the way that policy has impacted on rural areas, including the funding of programmes and projects.

Throughout the paper we raise questions and offer thoughts on how rural business support and community renewal policy can be promoted beyond 2012.

Overview of rural economies

The economic structure of rural areas is roughly the same as that of surrounding urban areas.⁵⁷ As industries traditionally associated with rural areas have steadily declined⁵⁸ the major source of income and employment has shifted to the service sector, which is now by far the largest source of employment and output. Looking beyond these aggregate figures, there are some important differences between urban and rural economies. For example:

- there are higher rates of new firm formation in rural areas, (with start-ups by women often particularly significant) but there tends to be lower interest in expanding businesses, which is generally recognised as the easiest way to expand employment and income opportunities;
- rural economies tend to be dominated by small and medium size business, and there is some evidence of horizontal clusters and vertical supply chains, but this can lead to local monopolies and less competitive behaviour;
- rural SMEs are particularly vulnerable to economic shocks as they face greater strains through a higher cost base and being less able to innovate through technology, increasing the need for tailored support, access to finance, training and career development and help to improve knowledge and access;
- employment rates in rural areas have consistently performed better than in urban areas but higher income individuals tend to live in a rural location and work in an urban location; deprivation is often hidden in rural areas, but is no less significant than in urban areas, and inaccessibility to services can be more acute, especially for people without access to a car;
- the rural local labour force is generally less qualified than surrounding urban areas and lower qualifications lead to lower earnings;
- disparities between local earnings and the bottom of the housing market can be particularly acute in rural areas, contributing to the 'rural flight' of young people to urban areas.

⁵⁷ The survey of businesses in the Peak District and Rural Action Zone, prepared by Derbyshire Chamber of Commerce (for the Peak District National Park Authority, 2005), established that over 80% of business respondents had a turnover of less than £500,000. The biggest industrial sectors represented were business services, hotels and restaurants, manufacturing, and agriculture.

⁵⁸ For example, agriculture remains the major land use but plays a more marginal role in terms of economic output and employment. However, employment in land-based businesses such as farming and forestry reaches 20% of jobs in some remote rural areas of the Peak District.

- there is often a shortage of suitable business premises in small towns and villages (many have been converted to housing), but redundant agricultural buildings on the edge of villages and in the open countryside provide opportunities, providing planning policy allows their conversion

There is a perception that rural areas have lower levels of productivity than urban regions. However, once the London effect is removed the differences greatly reduce. Where there are differences in productivity, this is usually explained in terms of industry mix, size of firm and characteristics of the labour force (i.e. employment rates and qualifications).

The service sector is a dominant source of income and employment in both urban and rural areas. Public sector employment in services is particularly important so the reductions in government expenditure and employment are likely to have a considerable impact. The emerging evidence base on the impact of the recession highlights that employment in all the main sectors was more resilient in rural than in urban areas. The public sector – which is the only major sector nationally in which employment grew during the recession – grew less quickly in rural than in urban areas, making rural areas less susceptible to public sector job losses and falls in output. However the evidence base indicates that rural economies are expected to grow more slowly than the national average as we move out of recession. So the challenge is to equip rural economies, who have weathered the recession well, with the skills and capacities required to perform better during the recovery.⁵⁹

Discussion Point 1: Rebalancing regional and local economies

The Government has indicated that the drivers of economic activity which regions and localities have relied on in the last fifteen years – the public sector, financial services, housing and property - will have to be replaced by something else. Early indications are that this ‘something else’ includes new technologies in manufacturing, construction and business services, including a shift to a lower carbon economy. There is also a renewed emphasis on investment in human and physical capital and the infrastructure of access to markets. There are parallels to be drawn between the aspirations of the Live & Work Rural programme and the expected encouragement from government for companies that can employ more people in a socially and environmentally sustainable fashion.

Farming now has a smaller role in rural economies but still plays an important role, particularly in environmental management.⁶⁰ The influence of the Common Agricultural Policy (CAP) as a driver of agricultural outputs has diminished since the last CAP reforms in 2004, but income from the CAP (in the form of both ‘decoupled’ and agri-environment payments) still underpins most farm businesses, particularly in upland areas such as the Peak District. Farming remains highly productive where there is a concentration of production on higher quality farmland, and increasing volatility in global food commodity markets is likely to reinforce domestic demand.

Manufacturing, although experiencing a major reduction in the level of employment and share of output, still plays a significant role in rural economies. There has been a shift in employment and output toward smaller and medium size firms, although large firms still account for the majority of employment and output. Rural businesses are more likely to be independent, locally owned and locally managed. They have a comparative advantage in producing manufactured goods which are storable and can be shipped to distant customers. However, as indicated above, they tend to carry a higher cost base and are often less able to innovate through technology.

Tourism is the fifth largest industry in the UK. Although there is no specific data available on the relative amount of urban and rural visits, appreciation of the countryside and ready access (particularly for short visits) makes tourism an important contributor to rural economies. Levels of employment in tourism relative to total employment tend to be higher in more rural (and coastal) areas, and particularly in National Parks. The majority of businesses tend to be SMEs but there are also bigger enterprises (including large hotels, restaurants and theme parks). Rural SMEs involved in tourism face significant challenges in advertising, differentiating their product from competitors and in finding qualified workers for what is often seasonal and low-wage work.

⁵⁹ SQW for Defra, Developing the recession evidence base for rural areas (2010)

⁶⁰ For example, agriculture creates and maintains the landscape and environmental quality on which much rural tourism depends and farms are bases for additional family business, not just in the tourism sector.

In recent years there has been an increasing interest in renewable energy production which can play an important diversification role in many rural areas. As the UK remains dependent on fossil fuels for most of its energy needs new sources of energy will be needed to replace them in the near future. Renewable energy can help in this regard and also help in achieving greenhouse gas emissions targets. For example, the government estimates that wind could produce up to 30% of the UK's electricity by 2030.

Differences in productivity point to different rates of innovation.⁶¹ There are many examples of innovative rural firms but some forms of innovation, especially those based on formal R&D activities are uncommon in rural areas. It is also more difficult to finance investment in rural areas as the network of financial intermediaries is less dense and because more firms are small, finance is largely restricted to borrowed funds from banks with little opportunity to access equity or bond markets.

Overview of decision making and delivery structures

Recent years have seen a marked effort to improve the delivery of government policies in rural areas and align delivery with the principles outlined in the 2000 White Paper, *A fair deal for rural England*, restated in Defra's Rural Strategy 2004. This established a vision for the countryside as 'living, working, protected and vibrant, where there is access to jobs and services'. It included a commitment to improve rural services, transport, the rural economy, the countryside, rural towns and villages, and the way the government handles rural policy.

By proposing to deliver these commitments through mainstream programmes, it signalled the importance of cross cutting efforts in realising rural policy and imposed a rural proofing requirement upon government. Mainstreaming was expected to encourage a more holistic and localised agenda that widens responsibility and seeks to increase capacity to address need i.e.

- rather than depending on rural-specific interventions, emphasis has been placed on cross-sector approaches across levels of government (within a framework established through national policy);
- placing emphasis on recognising the different needs of rural communities and designing flexible services that respond to local circumstances;
- recognising that there are distinctive aspects to the delivery of policy objectives in rural areas, support should be provided by improving the knowledge of rural areas and making this available during policy design and development.⁶²

While our own work for the Commission for Rural Communities has highlighted the limitations of rural proofing policy, it potentially provides a mechanism to ensure equitable access to an appropriate set of services in rural England.

Rural delivery measures were considered confusing, bureaucratic and too centralised to meet future challenges so new institutions were established. The Countryside Agency was dismantled and its tasks split between Natural England (focussed on the environment) and the Commission for Rural Communities (focussed on advice, now being disbanded and its work brought into core Defra).

The Regional Development Agencies (RDA) inherited responsibility for economic and social development programmes. They have tended to

- avoid separate rural programmes, aiming to supplement mainstream provision with more targeted programmes based on specific regional (or sub-regional) needs;
- employ a small number of staff with specific rural remits, who are maintained to provide advice on rural delivery and rural mainstreaming;⁶³

⁶¹ HM Treasury studies point to innovation not only as a key factor in improving productivity but also in improving economic well-being

⁶² The responsibility for rural mainstreaming lies with Defra, which is tasked with co-ordinating and overseeing rural policy within government and promoting the needs and interests of the rural community across government

⁶³ Although not directly addressed in this paper, we recognise that Government Offices for the Regions have considerable expertise in rural issues and knowledge of rural areas. They have played a significant role in the

- become the conduit for funding and resources, taking responsibility for the socio-economic elements of the England Rural Development Programme (ERDP) and its successor programme, the Rural Development Programme for England (RDPE).

RDAs have increasingly sought to highlight the high degree of rural-urban interaction already in existence and the opportunities for improved policy co-ordination. It should be noted that RDAs are being wound up by March 2012, covered further below.

Discussion Point 2: City-led development policy

Policy increasingly recognises that in many parts of the country there is such a close coupling among adjacent places of differing size that for planning and implementation purpose the various pieces have to be treated as a whole. The main focus of the model is a city-led development policy that presumes that future growth will come out of the urban core of the main city. The challenge for rural areas will be to demonstrate that rural areas play a larger role, recognising two-way commuting flows, the important leisure and tourism resource and the need to support significant sector rural economies.

The mechanisms and investment priorities for rural areas are set out in their Corporate Plans which are, in turn, influenced by the shared Regional Economic Strategy (RES). Based on figures for 2007-08, 27% of all RDA outputs were delivered in rural areas while 19% of the population of England lives in a rural area.

It is also worth highlighting the role of:

- local authorities who deliver services and through local development strategies, provide the framework for action at a local level (i.e. the Sustainable Community Strategy, Local Development Framework, Local Area Agreement, etc);⁶⁴
- parish and town councils, statutory bodies that deliver a vast range of services at a community level and have a large range of powers (i.e. playing a leading role in the development of community and parish plans, drawing together responsibility for planning, promoting tourism, licensing, community halls, representation, management of town and village centres and providing community halls);
- Civil society organisations (CSO) provide a valuable service in addition to those offered by the public sector and are often better placed to design and deliver the services that people in rural areas need,⁶⁵ and
- of course, the Peak District National Park Authority (PDNPA) works closely with local people, businesses, visitors and other organisations, providing services and guidance.

Enterprise Policy and the Delivery of Business Support

Recent years have seen increasing efforts being put into simplifying the business support landscape. In summary, the objectives were to develop ready-made solutions to meet business and policy needs with the new offer involving a clear, coherent branding and fewer, more coherent support products that offered better value and could be made subject to effective monitoring and evaluation.

mainstreaming and proofing of rural issues through, for example, the development of Local Area Agreements (LAA).

⁶⁴ We expect local government functions to steadily increase through the Government's devolution and localism agenda, although resources and responsibilities are likely to exceed the available revenue for some years to come.

⁶⁵ For example; Action with Communities in Rural England (ACRE) is a significant stakeholder and key advocate in rural policy work. It is the umbrella body for a national network of 38 Rural Community Councils (RCCs). ACRE, the RCCs and the bodies that bring together the RCCs in the regions, are known collectively as the Rural Community Action Network (RCAN). RCCs act as a strategic voice for rural communities, allowing grass root issues to be championed and solutions worked out in partnership among statutory, voluntary and private sector providers.

The plethora of schemes available often confused businesses, who did not know where to go for the help they need, and made it difficult for government at all levels to measure the impact of support and ensure that duplication was not taking place. In 2007 the Government made a commitment to consult with businesses on the kind of business support they might fund in the future. This followed a commitment made in 2006 to simplify business support in England from over 3000 schemes to no more than 100 by 2010. In 2008 the Government outlined its vision for the provision of business support in the future.⁶⁶ The aims of this Business Support Simplification Programme (BSSP) were to:

- increase the ease of use, effectiveness and efficiency of government support to business;
- make sure business support funded by Government is simple for business to access, has a real impact on public policy goals and represents value for money;
- set out the role of Business Link as the primary route to publicly-funded business support and incorporate views on how Business Link can be developed to play this role; and,
- avoid business support schemes proliferating again once they have been simplified.

In 2005, RDAs took over responsibility for Business Link from the Small Business Service. They were later given responsibility for contracting with providers of business support activities to establish Business Link services. The objective was to establish a new model of business support, able to meet regional and sub-regional strategic objectives as well as national targets, which was better suited to the region's businesses. The introduction of new information, diagnostic and brokerage model and the increase in the number of business advisors often took place at the same time as new localised modes of delivery (e.g. enterprise champions, mentors and hubs). This led to an increase in Business Link penetration of pre-start up and start-up companies. There was also a further major addition to Business Link activities through the transfer of Train to Gain Brokerage from the Learning and Skills Council to the Business Link offer from April 2009.⁶⁷

Overview of socio-economic funding

Only a modest amount of the public sector expenditure in rural areas can explicitly be termed rural policy. The majority of outlays are for broad programmes (such as for business support, through Business Link) that are not place specific, but provide benefits irrespective of where people live. Defra sets broad parameters on types of outcomes it would like to see in rural areas when it provides funding. In 2008-09, the amount of funding allocated to rural socio economic objectives by Defra was £102.3 million,⁶⁸ which was allocated to the Rural Development Programme for England, European Structural Funds and through the RDA's.⁶⁹ RDAs are funded by contributions from different departments brought together into a 'single programme' - the RDAs have great flexibility in their budget allocation - that is supplemented by European Funding and capital receipts from disposal of assets (CLG is the primary funder of the RDAs, accounting for approximate three-quarters of the total RDA funding of around £2.2 billion).

Around £540 million has been allocated to the English regions, through the RDAs (and where applicable Natural England), via Axis 1 and 3 measures of the RDPE. The aim is to promote the competitiveness and innovative capacity of business in rural areas. The RDPE includes measures to support employment opportunities across a range of activities in sectors other than farming and forestry. The Axis 4 Leader measure receives the minimum, which is 5% or £105 million, for use across the country.⁷⁰

⁶⁶ BERR (2008) Simple Support, Better Business: Business Support in 2010. March 2008

⁶⁷ Business Links was, of course, a major contributor to the delivery of the New Environmental Economy (NEE) programme.

⁶⁸ House of Commons Environment, Food and Rural Affairs Committee, The potential of England's rural economy (2008)

⁶⁹ £53million was earmarked to RDAs through the single, non-ring fenced pot and funding earmarked for Axes 1, 3, and 4 of the RDPE.

⁷⁰ Additional monies include the £55 million for Axes 1, 3 and 4 measures in support of the EUs convergence objective for Cornwall and the Isles of Scilly

The LEADER programme is a mainstream delivery mechanism which seeks to infuse a 'bottom up', community led approach into the delivery of RDPE funding in rural areas. The programme continues a focus on innovative, local area based development plans, emphasising the need for close working relations between regional delivery partners to ensure an integrated approach to rural development and the development, and engagement of local communities. It should be noted that the budget for Axis 2 of the RDPE (covering agri-environment funding) dwarfs the other Axes mentioned above, amounting to £3.3 billion over the period 2008-2013, or 82 of RDPE spending.⁷¹

Changes to funding and delivery

The Coalition Programme (May 2010) states 'we will promote the radical devolution of power and greater financial autonomy to local government and community groups'.

Discussion Point 3: The role of the community sector and the PDNPA

The Big Society is an important feature of this Government's agenda. It seeks to decentralise power and give individuals, communities and local government a greater say and responsibility in decision making and addressing the challenges they face. With a long tradition of self-reliance, rural communities have a higher rate of participation in civic engagement activities and a relatively high number of CSOs compared to urban areas. L&WR activity to support communities has run in parallel with local CSOs and rural communities. This raises at least two questions: How distinctive is the support made available through L&WR and could it be mainstreamed through the work of CSOs; and, given the ongoing reductions in government grants and contracts, grants from trusts and foundations, public fundraising, rental income, etc, would this be the appropriate time to scale down the community based support being made available.

One further option for the PDNPA is to mainstream the rural business support activities of L&WR, whether through its mainstream budget or through other sources of funding (i.e. taking advantage of EU funds by building better links with EU regional and rural policy), strengthening the Peak District economy by joining up planning policy and economic development strategies at the local level (i.e. identifying new ways to enhance the competitiveness of the Peak District through a broader focus than simply on pure economic development approaches highlighting, for example, the need to expand rural connectivity by developing robust networks, improving all forms of connectivity through next generation broadband, with stronger connectivity enable mainstreaming to function better etc.

Government is now pursuing measures which involve decentralisation and 'localising' decision-making. For example, Defra's Business Plan (2011-15) states that it will no longer: 'allow key policy issues to be determined by democratically unaccountable bodies. We will reform our public bodies to bring policy functions in-house, where appropriate, while strengthening our capacity to work across government in reflecting rural interests and addressing sustainability concerns'.

And, of course, the Spending Review announcement revealed significant real cuts in many departmental budgets. In real terms, the Department Environment, Food and Rural Affairs faces the second largest cuts, with a decline in real expenditure of 29% by 2014-15 - this will translate into substantial cuts in Defra's funding to National Park Authorities.⁷² The current environment of fiscal constraint demands a new approach to thinking about rural development in England. The effect of the recession on the UK budget calls into question the potential for maintaining current high levels of public expenditure for many policy areas.

Discussion Point 4: Regional support and funding

Reductions in funding make any future investment in a Live & Work Rural Programme post 2012 appear unlikely – the funding available has been reduced, is now open to completion and, through the Regional Growth Fund, is more likely to be claimed by more lagging areas and regions than the East Midlands and Peak District.

The Chancellor also announced there would be 490,000 public sector job cuts over the next four years, which is equivalent to an 8 percent decline in the Government workforce. Given the public

⁷¹ Source: <http://www.defra.gov.uk/rural/rdpe/secta.htm#q2>

⁷² See <http://resources.peakdistrict.gov.uk/ctte/authority/reports/2010/101203Item12-1.pdf> for the impact on PDNPA

sector accounts for a fifth of the UK's total employment, this is likely to mean a 2 percent fall in total employment. Some regions which have a higher share of public sector employment are likely to be harder hit than others.

At the same time, major parts of the regional architecture are being dismantled. The Queen's speech included proposals for a Localism Bill, whose main elements include the creation of Local Enterprise Partnerships (LEPs) to replace RDAs. These are defined as joint local authority-business bodies brought forward by local authorities to promote local economic development. Government aims to support the creation of strong LEPs, particularly those based around England's major cities and other natural economic areas, to enable improved coordination of public and private investment in transport, housing, skills, regeneration and other areas of economic development.

Discussion Point 5: The role of Local Enterprise Partnerships

LEPs offer a new form of governance and horizontal co-ordination of local economic development. There are potential benefits of planning for economic development at a functional economic level. For example it may reduce or eliminate wasteful competition among local governments, without stifling the beneficial effects of a pro-business development attitude. However they will operate as non-statutory bodies, have no core funding, unclear powers and limited resources (the irony is that the same concerns were expressed by business twelve years ago, when RDAs were being developed). Their agenda is mainly driven by a large urban local government agenda. It is an open question whether 'rural local governments' will become in effect 'junior partners' as their ability to negotiate and deliver resources is smaller than the urban government leaders.

If LEPs are to have a future, as the key driver of sub-national economic development, and the PDNPA and partners plan to play a role in debates or delivery, then it will need to take the time and put the effort into building a genuine partnership for the real economic geography, highlighting the needs of rural communities and the links to urban areas (i.e. bringing your deep understandings of how the local economy works, with clear, evidenced priorities for investment, development, etc, which can translate into a 'business growth framework' and integrated investment programme.

The White Paper Local growth: realising every place's potential gives details of current thinking (in October 2010) about the destinations of the current functions of the RDAs.

- Venture capital and loans schemes, international trade development, policies towards sectors of 'national importance', and support for inward investment will pass to central Government.
- A Technology Strategy Board will be established to support business innovation, and will take on the RDA's responsibilities in this area.
- All skills funding will now be routed through the Skills Funding Agency (one of the successors to the Learning and Skills Council).
- The economic and social aspects of the Rural Development Programme for England will be returned to central management by Defra
- Business Link services will be replaced by a state-funded online platform plus greater use of the private sector and services already offered by organisations such as chambers of commerce. The Grants for Business Investment scheme will be closed down with the RDAs.
- Tourism, previously the responsibility of regional tourist boards, will be passed to new Destination Management Organisations, which 'will be formed through existing tourism support bodies, councils, local business networks and new local enterprise partnerships'.

A Regional Growth Fund of £500m per year, for 2011-14, has been established.⁷³ LEPs will be able to bid to this fund – it will be their only source of substantial funding – but bidding will also be open to other organisations.

⁷³ This compares to planned total spending of £1.4bn for all nine RDAs in 2010-11 (itself down from £2.25bn in 2009-10).

Discussion Point 6: Advocacy and lobbying

The investment of time in forming relationships with regional strategic partners and delivery agents, notably *emda* and the Business Link network, has reaped dividends but can no longer be relied upon. While the Government mantra for economic development is localism, the reality is that many economic functions are being reclaimed by central government. This may be more efficient and economic but it also raises a challenge for rural areas, highlighted in the earlier sections of this paper, who may no longer the same level of dialogue with key agencies