



FUTURE OF THE RURAL DEVELOPMENT PROGRAMME FOR ENGLAND (RDPE)

Note written for Defra by the Rural Services Network

At the last Rural Coalition meeting Defra said they were considering the future design of the RDPE and would welcome views about the current (2007-13) RDPE. In particular, what features were felt to have worked well or not to have worked well.

The Rural Services Network (RSN) has collated evidence from eight of its members, which are Central Bedfordshire Council, Derbyshire Dales District Council, Lincolnshire County Council, Norfolk County Council, North Devon Council, Solway Border & Eden LEADER programme, Southern Oxfordshire Local Action Group and St Edmundsbury Borough Council. This note summarises the evidence from those local authorities and LEADER groups.

This evidence relates specifically to axis 3 (economic diversity/quality of life) and axis 4 (LEADER approach) of the RDPE, with the focus being largely on the latter. We have not asked for evidence about axes 1 or 2.

What is felt to have worked well? What features could helpfully be retained?

The mere fact of having a specifically **rural-focussed programme** has been cited as a key feature and the planned continuation of the RDPE beyond the current programme is therefore to be welcomed. Other programmes, including EU-funded programmes, largely focus on urban issues and target urban areas. The ethos of LEADER is similarly something which is seen in a positive light, being built around local needs, capacity building, and rural cohesion and development aspirations.

The **RDPE Network** is also seen as having developed into a useful vehicle. The annual LEADER events have been mentioned in this regard. The RDPE Network website is felt to provide helpful information about projects elsewhere, as well as news of events and other funding opportunities.

A central message from the response about helpful features is that the LEADER approach has **delegated decisions** to rural community members and stakeholders, empowering those communities and enabling decisions to reflect local needs and an area's wishes for development. This is felt to underlie successful delivery of the programme.

The **geographic scale** at which Local Action Groups (LAGs) have operated is also seen as important, so the programme reflects rural geographies. This sometimes means working across administrative area boundaries. If the LAG areas were to be made larger they would not reflect rural needs as well and distinctive issues may become subsumed under wider area characteristics.

Allied to this is the fact that the LAG groups consist of local people who have accumulated further **local knowledge** of the area's needs and priorities, which they have then been able to apply in programme decision making.

A number of RSN members have commented on the composition of their LAG groups and the valuable **mix on members** sitting on it. The mix of public, private and voluntary sector representation and viewpoints is considered a strength. One response notes the value of having a bank manager on their LAG, bringing financial and commercial insight to the discussions (including on the availability of bank lending). A caution, though, is one Group's experience that its private sector representatives lost some enthusiasm after the likely time commitment became clear.

The ability to apply a holistic approach to address rural issues and to use various measures under LEADER to create an **integrated approach** has been welcomed. This has enabled LEADER groups to tackle rural economy themes in a coherent manner. For example, actions on tourism can be linked to actions on training (see project SBE107 A Green Eden).

Also cited as helpful has been the **flexibility** of the programme and its ability to respond to changing needs or external conditions. The LEADER programme is seen as particularly useful in this regard, not least in being able to adapt its focus as the economic climate deteriorated.

A couple of responses highlight the fact that LEADER has **wide reach** and benefits many harder to reach businesses – such as micro-businesses and those who have not been grant recipients previously. Given the high proportion of micro-businesses in rural areas this is relevant. The LAG members and their own networks of organisations and partnerships have been able to spread the programme's message widely.

Two responses have cited particular useful documents. One was “a **clear guide**” (plus pre-project implementation workshops) for applicants prior to starting their project. Another was an operating manual provided in the region at the start of the current LEADER programme which enabled quicker commencement of project activity. The common thread, here, is having in place clear and informative guidance.

Whilst RDPE processes are not generally viewed positively (see below), the **business planning** process, which applicants are encouraged to go through, has been singled out as having proved valuable for some who used it.

LAG members have praised the work of facilitators in **vetting** prospective applications and helping to weed out ineligible or poorer quality projects at an early stage. This ensured that

those projects coming forward for appraisal and full consideration were a good fit with the funding criteria and local strategy, and had all the necessary elements in place.

Conversely, it is thought that the use of on-the-ground **Development Officers** to give advice and guidance to project applicants (what one response has called 'handholding') has helped less experienced small business and community group applicants through the process. It has led to stronger and more coherent projects, with fewer issues arising. This would not have been achieved if the programme had been managed from outside the local area.

Finally, one response cites the **Annual Review Days** as working well, giving its Board an opportunity to take a wider view and to see project examples from across all the local LAG groups.

What is felt not to have worked well? What features could helpfully be amended?

A consistent response is that the volume and complexity of **paperwork**, and the number of **processes** and procedures (for audit compliance) make the programme overly bureaucratic. In some cases checking processes appear to be over zealous and simply serve to introduce duplication of effort. This:

- Makes both the application and project payment processes long winded;
- Means that programme management (including accounting and reporting) absorbs too high a proportion of LAG staff time;
- Puts off some potentially good projects from ever applying for grant funding; and
- Slows some successful applicant projects, where knock-on effects on spend occur.

The application and selection procedures are seen as more suited to larger businesses: small businesses and community groups find them particularly hard going. There is a need for **proportionality** with simpler processes and procedures applied to smaller projects, reflecting their capacity and the limited risk associated. It is not understood why a £10,000 grant requires the same level of paperwork and auditing as a £200,000 grant. One response notes that a less cumbersome application form its LAG used for grants under £50,000 was discontinued when forms were standardised and another that a delegated small grants scheme was disallowed.

The number of levels within the **decision making hierarchy** is felt to be unhelpful and to impact on the LEADER programme's progress. Local areas find it frustrating that their decisions are so frequently questioned at a late stage by the managing authority. They would like to see a greater level of trust placed in local decisions. It is, further, considered that fewer issues would arise if the managing authority gave out more consistent advice about eligibility criteria and if they gave better (or in some case any) feedback after making project inspections and file checks. Nor has it always been entirely clear at what level decision making responsibility lay to approve a particular project's funding.

Allied to this, the managing authority is often considered to act in a **very risk averse** manner, giving the impression that it focuses more on scrutinising from the top-down than on providing guidance and improving programme delivery.

It has been noted that the **late start** to the current LEADER programme and delays putting operating procedures in place impacted on progress and expenditure in its first year, with LAGs playing catch up in following years. It is hoped that the lessons learnt from the current programme will enable a smoother and faster start-up with its successor.

In a similar vein, some of the **guidance** at the outset of the programme was not felt to be sufficiently clear, leading to confusion about what could or could not be funded. This was compounded by changing rules on issues such as eligibility of activities. Again, it is hoped this can be avoided in future.

There remains some frustration about **different rules** for eligibility being applied in different areas. In particular, where this constrains the types of activity that can be funded e.g. LEADER only being able to fund measures that fall under particular axes in certain areas.

During the set up of LAG groups, there was a lack of clarity about the roles and responsibilities of **group members**. It is suggested that they are recruited against a job description. There was also limited training offered to them, given the complexities of the programme and its processes. It is felt that in future Defra may wish to consider paying LAG group chairs something for their time.

Some projects have unfortunately stalled because of **cash flow** problems caused by them having to fund project spend whilst awaiting their grant payment. This has become a growing issue in the current economic situation where business finance is less readily available. It can also prove a more significant issue for smaller businesses.

The need to obtain (at least) **three quotes**, whilst its basic premise is understood, can be problematic for certain types of project. In sparse rural areas it can be harder to find a list of potential contractors or suppliers. There has also been a specific issue for training providers: those hoping to put on a training programme want to apply for grant funding in their own right (not to find three other providers). It may be that exceptional circumstances should be recognised to the three quotes rule. Some projects have wanted to undertake works required for projects themselves (e.g. with farm labour) rather than seeking quotes from external suppliers.

A somewhat related issue is a Local Development Strategy that required **collaboration** between businesses. This made it harder to find ideas which could be progressed. In many cases the businesses were competitors and would risk losing competitive advantage.

A few issues have been raised about project **outcomes and targets**:

- Job creation targets have proved a barrier for some prospective applicants who feel uneasy about committing to them, especially in the current economic climate and given unpredictable external influences. This has most affected (riskier) hi-tech and innovation projects, though has been less of an issue for services sector projects;
- Some micro-businesses grow through increased use of self-employed people rather than from employing them. This does not create outputs which are counted and so it is difficult to fund projects with such businesses;

- One response also felt there has been some bias towards economic outcomes, with less opportunity to count very valid social and environmental outcomes.

Finally, whilst it is important that LAG areas remain suitably local in scale, it is unhelpful that **market towns** have sometimes been excluded from them in order to remain under set population thresholds. These towns are typically the service centres for the rest of the area.

It is hoped that this note provides valuable evidence from RSN members for the Defra team tasked with negotiating and designing the future of the RDPE.

6th December 2012