

# Rural Funding Programmes:

## A Case Study in the Peak District

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March 2005



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# **RURAL FUNDING PROGRAMMES: A CASE STUDY IN THE PEAK DISTRICT - FINAL REPORT MARCH 2005**

## **1. Summary and Recommendations**

### **The Scale of Current Public Funding**

- 1.1 There are currently at least 31 different funding schemes operating in the Peak District which support environmental management, business development and community projects. These 31 schemes work to a total of 33 different strategies (many of which are similar or complementary) and currently involve over £6 million per year of public expenditure. The different schemes operate over different geographical areas in the Peak District.
- 1.2 This analysis excludes most training schemes. It also excludes probable expenditure on relevant schemes which has not been identified. It also excludes the administrative costs associated with the different schemes. Total public expenditure is likely to be in the region of £10 million per year.
- 1.3 The system has evolved over the years and the tendency in recent years has been a growth in the number of schemes, a growth in the number of strategies and a growth in expenditure.

### **Five Principles for a New System**

- 1.4 Business feedback is that the system as a whole has become too complicated and participation has become too time consuming. The plea is for new arrangements embracing five principles:
- a. A coherent, easily understood strategy with a consistent approach for all schemes based on that strategy.
  - b. Simplification of the number of schemes and their administration.
  - c. More user friendly systems - local contacts, easier paperwork.
  - d. Focused on positive results to inspire and encourage business effort.
  - e. Linkage between different business sectors (especially farming and non-farming).

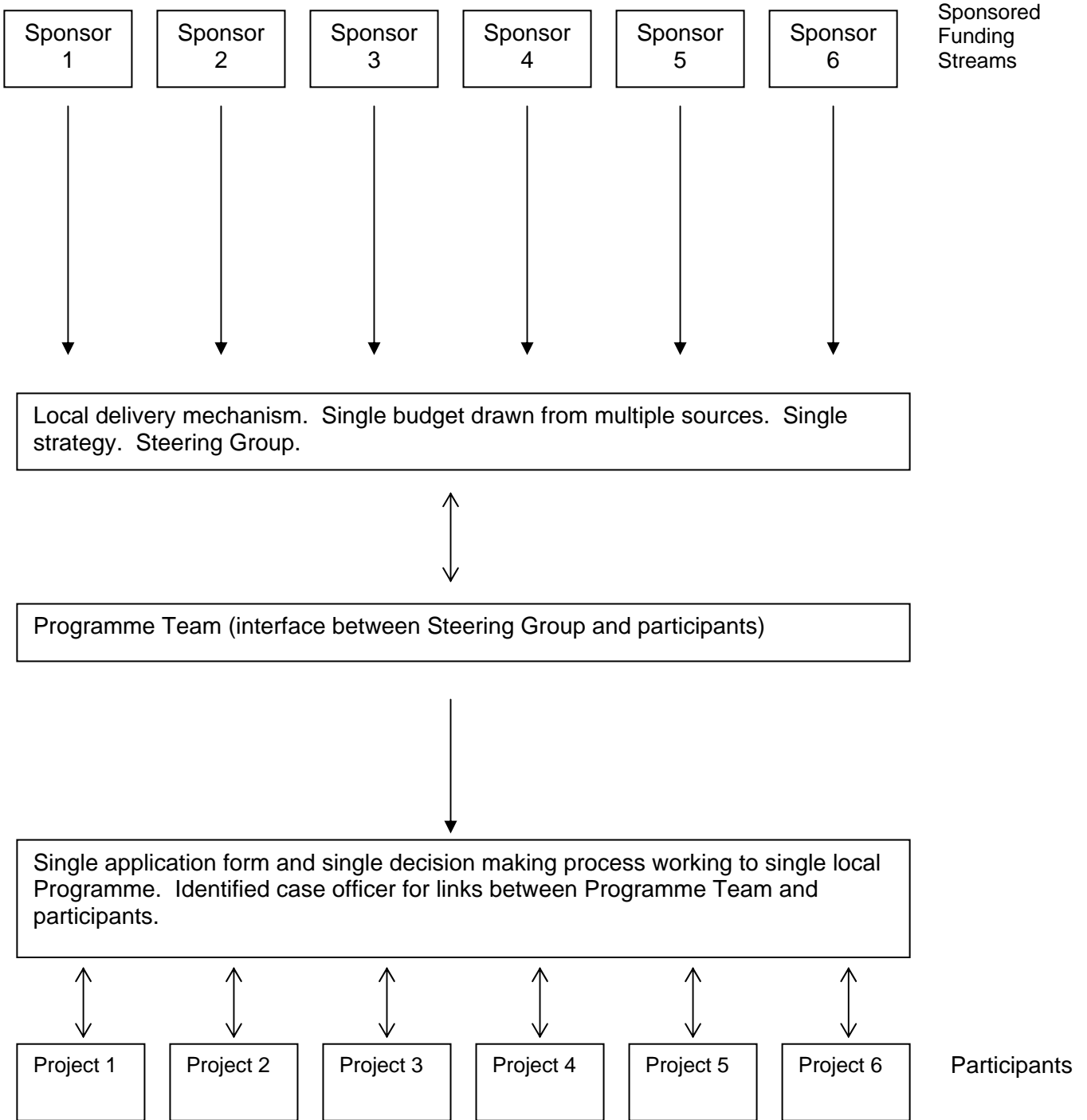
### **Simplification and Cross-Sectoral Delivery**

- 1.5 Public sector administration is still based on sectoral responsibilities. The Sustainable Development philosophy suggests a need to link together social, economic and environmental objectives in integrated cross-sectoral programmes, and cross-sectoral administrative units.
- 1.6 There are three potential approaches to simplification:
- a. An area based approach – bringing together activity to a common geographical management unit.
  - b. A topic based approach – e.g. simplifying all the different business development programmes into a single scheme.
  - c. A theme based approach. Deciding on the particular opportunities and priorities of an area and focusing all support schemes on the simplest way to achieve these identified opportunities and priorities.
- 1.7 Various different approaches to integration and simplification have been tried on an experimental level. Experience in other countries is that new area based integrated teams and integrated funding programmes are now being mainstreamed. This experience suggests that, although it might be difficult to simplify and integrate rural funding programmes, it is possible. How to apply this experience in the application of the new EAFRD regulation is a challenge for Defra. How to apply this experience in the Rural Pathfinder initiative is a challenge for the Peak District Local Authorities. It would also make sense to consider how these two new initiatives can be linked together. (See also 1.13)

## **Recommendations**

- 1.8 This section brings together the recommendations for action that would help the government achieve its ambitions for the next generation of rural funding programmes. They are based on:
- a. The information received from the survey of managers of the current rural schemes operating in the Peak District.
  - b. Conclusions from independent reviews of existing funding schemes.
  - c. Operating experience in trying to implement locally based funding programmes in the Peak District, in England more widely and from a review of European practice carried out by the National Audit Office.
- 1.9 **Financial Records, Outputs and Outcomes** To calculate the impact of schemes there needs to be a clear relationship between public funding, administrative costs, the 'outputs' that schemes buy and the long term 'outcomes' that are achieved. Different schemes use different systems to record this information and the quality of the information is variable. Their comparative effectiveness is therefore very difficult to establish. Information needs to be collected on a consistent basis (see 3.4 and 3.6).
- 1.10 **Public Information** Defra schemes operate on the basis of business confidentiality. Other schemes operate on the basis that information related to individual business participation is publicly available. (Para 3.7). This inconsistency needs to be resolved. If information is not made available then comparisons between schemes and integration between schemes is impossible.
- 1.11 **Best Practice** Experimental schemes in England and working practices in other countries have already been reviewed (see 9.9 and 9.10). These identify the key ingredients of best practice and need to be used to help design the next generation of funding programmes. The Rural Pathfinder initiative (see 3.2) is another opportunity to develop best practice through practical experience. Diagram 1 (Page 5) summarises the key ingredients of current best practice.
- 1.12 **Strategies** In the Peak District there are more strategies (33) than funding schemes (31) - see 8.2. If locally based programmes are to be successful there needs to be a single local strategy that may apply identified elements of regional, national or European strategies. This needs to be used consistently to guide the development and management of the local programme.
- 1.13 **EAFRD and Pathfinder** These are two separate initiatives both being promoted by Defra but there are currently only limited connections being made between them. The scope for each to inform the other needs to be considered (see 3.10). The outcome of EAFRD negotiations and Pathfinder experiences needs to be brought together to define the next generation of mainstream rural funding programmes.
- 1.14 **Under-performance of Defra's ERDP Business Schemes** Only five such projects were implemented over the few years of this research (see 4.7). The ambition to link farm business modernisation into the modernisation of the rest of the rural economy is not being achieved. The Pathfinder initiative is an opportunity to address this problem in the short term but in the long term changes in the operation of Defra schemes need to be made.
- 1.15 **Small Projects and Large Projects** Some existing funding schemes tend to support big projects, others tend to support small projects. Any business will start small and grow if it is successful. (Great oaks from little acorns grow!) Therefore any funding programme needs to be accessible for large and small projects and to encourage successful small projects to keep growing.
- 1.16 **Linked Support, Training and Advice** This research is focused on funding schemes and their operation. A business will need contributions of advice, funding support and training depending on the nature of the business and the skills of the entrepreneur. Currently advisory support, funding schemes and training initiatives operate largely independently of each other. Some linkages are being made and these need to be built on (see 4.9 and 4.10)

- 1.17 **Simplicity and Accountability** Some funding schemes have a very complex application, approval and management process. Others are very simple. For projects requesting modest levels of funding a complex process will often inhibit participation. The procedures need to be kept as simple as possible consistent with the need for accountability and probity (see 6.5).
- 1.18 **Multiple Funding or Umbrella Projects?** Multiple funding leads to increased time spent by businesses in pursuing different funding schemes and increased total public expenditure because different agencies are dealing with different aspects of the same projects (see 5.5). The umbrella project is one way to simplify this (see 5.3) and is a key philosophy adopted in successful local integrated programmes (see 1.11).
- 1.19 **Determining Project Applications** There is considerable wastage of time for both businesses and public administration in dealing with poor project applications. There should be a filtering process to help businesses decide for themselves whether an idea is capable of becoming a good business project and to help them develop a realistic business plan. Then only projects which seem likely to succeed become detailed applications with a high prospect of approval (see 6.2 – 6.4). For more straightforward work the ‘automatic entitlement’ process may be appropriate (see 6.3).
- 1.20 **Business Requirements** Several different research studies have identified the key ingredients of successful schemes (both from schemes that work well and schemes that could be improved). This experience needs to be built into the next generation of funding programmes. (See Section 7 and 1.4 above)
- 1.21 **Timescales of Funding Programmes** Any new arrangements will need time to be set up, time to resolve ‘teething problems’, time to build the trust of participants and time to demonstrate results. Success can build on success but this will only happen over a reasonable timescale. Experience shows that a minimum of five years is needed for programmes that seem promising to prove their worth (see 9.8 –9.11).



**The key ingredients of successful locally based rural development programmes**

## **2. Introduction, Context and Brief**

- 2.1 This research project was commissioned from the Peak District National Park Authority (PDNPA) by the Countryside Agency under the terms of a contract dated 9 August 2004 (Reference 1). The brief for the work was agreed between the Agency, PDNPA and Defra's Rural Development Division (Reference 2). The context for this work was the provision of a new measure in the European Union's Mid Term Review of the Common Agricultural Policy entitled 'Integrated Rural Development'.
- 2.2 Since the brief was drafted the European Commission has set out detailed proposals to create a new 'European Agricultural Fund for Rural Development' (EAFRD) (Reference 3). Also in July the Government published its 'Rural Strategy 2004' (Reference 4). Both these documents are proposing to introduce significant changes in the management of rural programmes. Two particularly significant changes are:
- a. To link together the different funding streams so that each will complement the others and duplication will be minimised. The Rural Strategy 2004 document aims at simplifying funding from the very many different programmes operating currently to just three programmes.
  - b. To base funding programmes on local needs and opportunities and to devolve the delivery of funding programmes to a local level.
- 2.3 The focus of this research is on the funding programmes that are likely to fall under the scope of the new EAFRD. This includes funding for many different types of activity. Some of these activities include:
- a. Training activities for businesses to enable them to participate in other measures.
  - b. Advisory Services.
  - c. Business development in the agricultural and forestry sectors, including adding value to primary products.
  - d. Food quality schemes including promotional activity.
  - e. Land management including agri-environment schemes.
  - f. Diversification of the rural economy, including support for the creation and development of micro-enterprises, encouragement of tourism etc.
  - g. Village renovation and development.
- 2.4 It will be seen from this brief summary of the measures envisaged in EAFRD that the scope for the use of the fund is considerably broader than current CAP funding programmes as adopted in England. In particular:
- a. EAFRD goes beyond the agricultural and forestry sector and includes other rural business sectors – notably food and tourism.
  - b. It allows EU funding to be used for both public sector and private sector activity.
  - c. It includes land management, village renovation and development as well as business development.
  - d. The scope of these measures overlaps with many existing funding programmes already in operation using UK government or local government (including National Park Authority) funding and also with schemes funded under the EU's ERDF and ESF programmes.

- 2.5 This research project was conceived as a case study to examine the existing arrangements for determining public funding programmes covering these topics and the ways in which they were managed and delivered. Some information from previous reviews of these funding programmes (and predecessor schemes) has also been researched.
- 2.6 The Peak District was chosen as a case study area because there are existing co-operative arrangements between the relevant public bodies which made obtaining data relatively straightforward. In addition most, if not all of the scope of activity envisaged under EAFRD is already operational in some form in the Peak District. Finally the cooperative arrangements already operational in the Peak District might provide a model for developing the type of integrated, locally focused and locally managed funding programmes envisaged in the draft EAFRD proposals.
- 2.7 The four main strands of the original Peak District research brief can be summarised as follows:
- a. To gather information on the funding streams designed to support business development in those business sectors that relate directly or indirectly (but closely) to land management, including tourism and food related businesses.
  - b. To examine the success of applications (with evidence) to different schemes and programmes and whether some areas/business sectors are more successful than others. This should enable a break down of the numeric and geographical distribution of successful/unsuccessful applicants to be produced. Experience of businesses in using different schemes and programmes should also be obtained.
  - c. To establish the objectives and priorities adopted by the various funding streams, the strategies they are based on and the relationship to other strategies whether local, regional or national. This will include consideration of the relationship between strategies. The scope for simplification and greater focus on key activities through a locally based Integrated Rural Development Strategy should be considered.
  - d. To identify the delivery mechanisms used by existing schemes and suggest ideas for improvement.
- 2.8 On 13 August 2004 a questionnaire was sent to the principal public organisations involved in managing or funding the main existing relevant funding streams operating in the Peak District. These existing schemes operate over different geographical areas depending on the nature of the scheme and the organisation managing it. These existing schemes often relate to Single Regeneration Budget programmes (which will conclude soon) or EU Objective 2 designations which will cease in 2005 (Transitional area) or 2008 (main programme area).

### **3. The Interim Report and Revised Context for the Research**

- 3.1 A preliminary analysis of the results from the questionnaire was carried out in September 2004. An interim report was sent to the sponsors on 7 October 2004 and a meeting was held to discuss it on 14 October 2004. The interim report drew attention to various issues that would need to be clarified at the meeting. The timescale for completion of the research report was confirmed as being December 2004. This timescale meant that the focus of the research had to be revised because it was recognised that some desirable tasks could not be practically completed in the timescale. The conclusions of this 14 October meeting are recorded at 3.2 – 3.10 below.

- 3.2 Rural Pathfinders. In October 2004 Defra announced proposals for a series of 'Rural Pathfinders' to be set up on the basis of one Pathfinder per Government region. The Peak District was selected as the East Midlands Pathfinder with the specific addition of the Staffordshire area of the Peak District which lies in the West Midlands. The purpose of the Pathfinder project was defined as being:
- a. identifying and building on the best mechanisms to devolve delivery as close as possible to rural communities.
  - b. investigate the scope for innovative joint ventures and ways of working at sub-regional and local level to test new ways of delivery.

It was agreed that the research underway could be used to assist the development of the Peak District Pathfinder. Copies of this report have therefore been provided for the Pathfinder Steering Group. However the Pathfinder work and its relationship to EAFRD will not be clear for some time (see also 3.10).

- 3.3 Geographical Coverage. The original brief for the project had been to collect information on funding streams for a common geographical area – the Peak District National Park. However, the different schemes operating in the National Park often operate over a different geographical area to the National Park. Managers do not always have information that enables 'National Park only' information to be produced. Some schemes (like the SRB5 Scheme) also operate over a general geographical area which is not the same as the National Park and separating out 'National Park only' activity is impossible. It was concluded that information should be collected on an 'as close to the Peak District as possible' basis but that the actual geographical area should be clearly stated. This is the basis of the information in Table 1.
- 3.4 Incomplete Financial Information. Some questionnaire returns received were incomplete for a variety of reasons. Where a scheme was believed to have not actually spent money in the year in question the entry in Table 1 is zero. Where the scheme was believed to be operating and incurring expenditure but the amount of that expenditure was not provided by the scheme manager then a ? entry is shown in the Table. The decision was taken to revisit the ? entries and try to obtain actual figures. In November 2004 it was decided that the best way to do this in the timescale was to use information already held by PDNPA for the annual 'State of the Park' reports. There still remain some ? entries in Table 1 but these do not affect the general conclusions of this report.
- 3.5 Training Schemes. The England Rural Development Programme managed by Defra has a Vocational Training Scheme. This achieved no participation in the Peak District over the four years in question. However there are many other training schemes in operation in the Peak District managed by other organisations. Obvious examples are Business Link, Leader Plus, the University of Derby and the Local Education Authorities. Many of these training initiatives cover wider topics than the scope of this research and the problem of geographical area (see 3.3) would also arise. It was decided not to do any further work on training initiatives operating in the Peak District.
- 3.6 Outputs and Outcomes. An 'output' is the direct result of the work carried out by the funding scheme in question. It might be a building restored for business use or an area of woodland planted. The quality of the 'output' information provided by scheme managers was very variable and it was decided that it was not possible to improve their information sufficiently to enable 'value for money' comparisons to be produced. In the longer term the real importance of these schemes is the outcome over a period of years. For example, after five or ten years is the restored building still in business use - and what has been the economic impact of the businesses occupying the building? As the scheme information was only for expenditure in the years 2000 to 2004 the outcome of the investments will not be known for some time. It would however be possible to research back into scheme expenditure from earlier years to examine the outcomes now being achieved (eg from the earlier Objective 5b programme). However it was decided this would be a separate exercise outside the scope of the current brief.

- 3.7 Business Feedback. The brief for the research included an intention to carry out interview surveys with scheme beneficiaries and applicants whose projects had not proceeded for some reason. This interview process would also have been used to help produce 'output' information (and perhaps even outcome information too – see 3.6). The feedback exercise would also be used to identify good and bad features of existing schemes and to suggest ideas for improvement (eg were some schemes too intimidating for applicants?). This feedback exercise could obviously only be carried out if scheme managers released information on scheme participants. The questionnaire therefore asked scheme managers if their information could be released in some appropriate way for the purposes of this research. Defra stated that information on individual scheme participants was held on an absolutely confidential basis and could not be released without the consent of each individual participant. This would obviously be impossible to achieve in the timescale. Defra was the only scheme manager to operate in this way but as it was such a significant funder of schemes it was concluded that this direct business feedback should not be sought for any of the schemes. Instead reviews of schemes carried out already would be used to identify key features of successful schemes and ideas for improvement. This information is presented at Section 7 of this report.
- 3.8 Other Experience. There are similar schemes operating in other areas and in other EU countries. As the key area of this research was to help prepare for the new EAFRD regulation (see 2.2 – 2.4) it was agreed that other experience should be referred to as appropriate. There is for example a National Audit Office Report on EAGGF schemes in other countries that could be used (see 9.10).
- 3.9 Strategy Analysis. The interim report identified that the different schemes all seemed to operate to their own strategies. There were however 'higher level' strategies that were referred to in some cases (eg for PDNPA schemes the National Park Management Plan). In other cases the compatibility between the expressed strategy and other higher level strategies (eg regional strategies) was identified even though there may be no formal linkage (eg reporting or funding relationships). It was concluded that the strategy analysis should attempt to identify the relationships, real or implied, between the different schemes and their individual strategies and the 'higher level' strategies. This has been done at Section 8 of this report.
- 3.10 Recommendations for Future Programmes . It was clear that one outcome from this research could be recommendations for the future implementation of EAFRD and the Pathfinder initiatives. There may also be scope to suggest linkage between these two initiatives as their objectives are very similar (compare 2.2 and 3.1). However, EAFRD will need to operate on a national basis and not just in the Pathfinder areas and the conclusion was therefore that the research should focus most clearly on the EAFRD whilst being aware of the Pathfinder work that is likely to be carried out in the Peak District. The key information that was required from this research is:
- a. Information on the various schemes and the linkages between them that might be appropriate.
  - b. The relationship between schemes and strategies and ideas for creating mechanisms for funding to be more 'strategy led'.
  - c. Any obvious areas where projects should be coming forward but are not and the reasons for this.

The key conclusions on these issues are presented at Section 9 of this report. The recommendations for future programmes are also brought together in Section 1.8 – 1.21 above.

#### 4. **Analysis of Existing Funding Schemes**

- 4.1 The different organisations, the different funding programmes they manage, the pattern of expenditure over the past four years and the geographical area of the data collected are shown in Table 1 below. The following points can be seen from this table:
- a. Different parts of the Peak District benefit to a greater or lesser extent from these different schemes.
  - b. Some of these funding programmes have been operational for a long time (e.g. the Historic Buildings and Conservation Area grants were initiated in the 1970s). Others have been relatively recently set up (and some of these will soon close down e.g. the SRB5 and SRB6 programmes). Some (like the Food Manufacturing Investment Fund) have had a very short life.
  - c. Some organisations are 'funders only' – they finance funding schemes proposed by, and managed by, others. Some organisations are 'delivery only' – they are wholly dependant on others for their operational budgets. Several organisations are 'both funders and deliverers' though sometimes their schemes are part financed by others.
- 4.2 Geographical Area. Different organisations operate to different geographical areas. Sometimes the geographical area is on a regional basis (and parts of the Peak District are in four different regions). Sometimes the geographical area is a local authority administrative boundary. Sometimes funding programmes operate over only a part of the Peak District ignoring conventional administrative boundaries (as is the case with ERDF programmes). The original idea in this research was to collect information over a common administrative unit – the Peak District National Park. However, as explained at 3.3, this proved impossible for all funding programmes. The figures used in this research project have been made on the 'closest to the Peak District' basis as was possible. The basis for the actual geographical unit used in the tables is given in Table 1.
- 4.3 Scale of activity In total 31 different schemes were identified operating over at least part of the Peak District. The number of schemes has grown in recent years. Table 1 suggests that the scale of funding programmes has grown considerably over four years (from a total of £944,000 in 2000 to £6,820,000 in 2003). There are known to be some figures for some schemes that may be incomplete, particularly for earlier years but the general scale of current activity is believed to be reasonably accurate. The SRB5, SRB6 and Objective 2 programmes were all initiated in 2000 with a five or six year life and their expenditure was lower initially and has grown considerably in 2002 and 2003.
- 4.4 Other Schemes and Pathfinder Research. In a separate exercise (Reference 5) Defra identified 80 different funding schemes operating on a national basis (some with purely local relevance). It is possible that some of these schemes operated in the Peak District as well as the 31 different schemes identified by the organisations approached in this research. It is also possible that these schemes were available for use in the Peak District but that nobody actually used them. Information on the size and scope of these other schemes may become available as a result of Defra's Pathfinder research (contract to be let March 2005). This information is unlikely to be available before September 2005.
- 4.5 Number of Projects. Different schemes operate in different ways. Some schemes are focused on major capital expenditure, while others support a mix of capital and management costs. The various agri-environment schemes include annual management payments paid each year to participants. The average size of projects assisted through the various schemes can be identified by dividing the expenditure by the number of projects grant aided (although annual management grants for some schemes distorts this picture). Table 2 gives an indication of the range of project size and the range of project grants.

- 4.6 Business development. Defra's RES grants tend to be for a few large projects (average = £54,000). The SRB5, SRB6 schemes also tend to have supported larger projects (with an average grant of £57,000 and £61,000 respectively). By contrast the PDNPA's business development scheme supports smaller projects (average grant = £6,000 for NEE and £9,000 for HERS). The Defra Rural Enterprise Scheme, Vocational Training Scheme and Processing and Marketing Grant Scheme are intended to support diversification of farming enterprises. There is a target in the regional ERDP strategy to focus on the Objective 2 areas (including the Peak District). However take up of all of these schemes in the Peak District has been just five projects over four years. Thus most business development activity has been supported from non-Defra sources and has focused on non-farm businesses.
- 4.7 Agri-environment schemes. Defra's ESA and Stewardship Schemes have the largest budgets and also the largest average grant payments - an average grant payment of £11,000 and £18,000 respectively. PDNPA's Farm Conservation Scheme has many more participants and a much lower average grant (£1,000). These are all cases where multi-year management grants mean that the actual payment to an individual business could be much higher than the average grant payment figures suggest (eg a ten year agreement could have payments in each of the ten years of the agreement).
- 4.8 Village based projects. There are several different schemes supporting village based projects. PDNPA's Community Planning and Village Management Schemes support a large number of small projects (average grant £2,000 and £1,000 respectively). The rates of grant can be 100% (for Community Planning). The equivalent scheme operating outside the National Park by Derbyshire Dales District Council appears to have generated no activity. The Derbyshire County Council Green Action Grants operate across the whole County (including the Derbyshire part of PDNP) and the average grant is £2,000. However, by far the best funded village scheme is the Countryside Agency's Vital Villages programme with a total grant payment averaging £782,000 per year (over the whole of Derbyshire) and with an average project grant of £27,000. This was ended in 2004.
- 4.9 Advice or grant (or both). This research has focused on grant aid schemes. One (the East Midlands Food and Drink Forum's Food Technology and Knowledge Brokerage scheme) provides advice equivalent in value to £2,000 per business. This is an interesting form of grant scheme going further than the advisory services provided by organisations like Business Link. This advisory service (as with other advisory services) may lead to grant applications from the business (eg to Defra's RES grant scheme). Many other programmes provide a source of advice to complement the grant scheme but the value of that advice has not been included. There are also a large number of business advisory services (eg Business Link, the Amethyst Project, WIRE, the Leader + programme). In one case these complementary advisory services have a working relationship with a grant scheme managed by another organisation (Business Link provides a vetting service for the approval process in PDNPA's New Environmental Economy business grant aid projects). This formal linkage between advisory services and grant aid schemes managed by different organisations is rare. Another example is the 'Co-ordinating Body' function performed by Business Link in Staffordshire to facilitate applications for Defra business development schemes.
- 4.10 Business Training. This research has not tried to identify the full scope of Business Training initiatives. These are schemes managed outside the formal education system. There is one business training scheme covered by Defra's current England Rural Development Programme – the Vocational Training Scheme. However this has had no participants in the four years covered by the survey. The other training schemes in operation include:

- a. Business Link managed schemes. In addition there is a considerable amount of one-to-one business advice.
- b. Leader+ has introduced a variety of training initiatives, particularly schemes focused on women and young people.
- c. The University of Derby runs a number of training schemes several of which are funded by ESF (eg Hospitality training). There are also University managed Training Clubs located throughout the Peak District.
- d. Local Education Authorities run a number of schemes designed (at least in part) to help businesses (eg computer skills).

The number and scope of these training initiatives has not been thoroughly researched as part of this project for reasons explained at 3.5. However at least some of these existing training schemes are likely to be covered by the new EAFRD regulation.

## **5. Scheme Administration**

5.1 The research questionnaire has revealed details of grant scheme operations. It is also important to note that different schemes operate in different ways in their interaction with businesses. There are perhaps seven different stages in the process:

- a. Raising awareness – the promotion of the scheme so that businesses are aware of its existence and can access information about it.
- b. Facilitation - an advisory service guiding the business through the procedures necessary to complete an application form and explaining how the scheme will operate.
- c. Appraisal - the process by which an application is assessed. This may require the business to provide additional information.
- d. Decision - the formal determination of the application and the written confirmation of the decision.
- e. Implementation and claims - the process by which the business implements approved projects and submits claims for grant payment. This is followed by checking and authorisation (or not) of the grant payment.
- f. Payment - the actual issuing of the grant payment.
- g. Monitoring - periodic checks can be expected from public bodies to ensure that the work grant aided continues to operate effectively. Some grant schemes have 'claw back' arrangements if a grant aided project ceases to be managed for the purposes for which grant was paid.

5.2 Different schemes operate these seven stages in different ways. Table 3 compares a few of the different schemes. Local Authority managed schemes tend to keep all aspects of the process within the authority (though different departments may be involved). At the other extreme Defra business development schemes have quite deliberate 'Chinese walls' between different parts of the process and even different organisations responsible for different parts of the process. The important balance to strike is between simplicity and accountability with the aim of ensuring ensure probity in the management of public money without an excessive administration cost. Administration costs are not always recorded in full because different organisations may be involved in different parts of the process. Thus if Business Links are providing a facilitation service for Defra schemes their administration costs may not be recorded against the Defra schemes. Similarly Local Authorities may not always include all their costs in processing grant applications against the grant scheme budget.

- 5.3 Umbrella or Integrated Projects. There is increasing recognition at EU and national government level of the need to encourage creative linkages of four different types:
- a. Linkage between business sectors to maximise economic benefits and to encourage local social networks – eg the linkage between farming, food processing and the catering and tourism sectors.
  - b. Linkage between social, economic and environmental objectives so that new projects can create benefits for all three objectives so far as possible (a key ingredient in the Sustainable Development approach).
  - c. Linkage between public sector investment and activity and private sector business development. An example is public sector tourism promotional activity and visitor centre booking services complementing tourist entrepreneur activity.
  - d. Linkage between policy development, programme design, scheme administration and measuring the effects on the ground (including any side-effects) so that there is a continuous feedback loop.
- 5.4 However, although the desirability of encouraging these linkages is recognised, the funding schemes tend to be single sector and single type of activity focused. Feedback loops are often poorly developed. Attempts to create ‘umbrella schemes’ focused on achieving one or more of those types of linkage administered through a single mechanism are rare. One example is the New Environmental Economy (NEE) Programme which seeks to use the high quality Peak District environment as the basis for developing new economic activity. This has ingredients of all four types of linkage. It also applies the lessons from business feedback of an earlier Leader 2 scheme to make the participation process for businesses as simple as possible (see 7.3 – 7.5). However it has had to draw down funding from (so far) 14 different funding streams. This has introduced an extra layer of administration – between the funding bodies and the umbrella project. So, although NEE participation is easy for businesses, scheme administration is very complicated. This is however an example of the ‘behind the scenes’ simplification of funding streams advocated for the next generation of Defra schemes (see 7.7k).
- 5.5 Multiple Funding. Because so many different funding streams are available it is open to individual projects to seek funding from more than one source. This means extra work for participants as they have to go through several different application processes. It can however be financially very worthwhile from the participant’s perspective because, by adding together different grant sources, up to 100% of project costs can be covered by grant.
- 5.6 Some funding schemes positively encourage this multiple funding approach, for example to make a limited budget go further. Sometimes a project has different elements, some of which fall outside the parameters of a particular scheme. For example Defra’s business development grants can only be aimed at farm businesses as ‘end beneficiaries’. Therefore projects which aim to involve (and link) farm businesses and non-farm businesses have to be broken up into the farm business and non-farm business elements with each seeking its own funding route. All these multiple-funding projects involve several different public administrations carrying out all seven stages of scheme administration for the same project with obvious duplication of effort.
- 5.7 The risks and difficulties inherent in this multi-funding approach include:
- a. A possibility that public funding may be paying twice (or more times) for the same thing as each scheme is managed independently of the others.
  - b. Distortions in Value for Money calculations. Each scheme will be claiming the same or similar outputs for the same project. This may distort the relative impact of funding schemes. For example a modest contribution to a multi-funded scheme will appear to have had the greatest value for money as it ‘bought’ the same benefits for less money than the major funder of the same project (who put in more money for exactly the same outputs). Yet it will have been the major funder who will have made the decisive difference.

- c. The need to introduce more sophisticated audit and monitoring procedures to avoid (or at least try to recognise) 'double funding' and distorted value for money calculations.

5.8 Block grant or project specific grant? Systems of local authority finance have gone from project specific grants to block grants and back again over the past forty years. The obviously intended output of the Pathfinder initiative (and the separate but similar Local Areas Agreement scheme being developed by ODPM) is to move to some kind of hybrid arrangement. Such an arrangement would devolve responsibility for the detail of schemes to the local level but would allocate funding in a block grant arrangement linked to business plans and actual performance against those plans. This type of arrangement will make it of increasing importance to:

- a. Simplify funding schemes to keep administrative costs down and to make it easier for participants.
- b. Having clear relationships between total public expenditure (scheme funding plus all administrative costs – see 5.2) and actual outputs and outcomes (see 3.6 above).
- c. Accurate ways of recording the effectiveness of schemes (costs, outputs and outcomes). This will enable adjustments to be made promptly through a monitoring and review process (the feedback loop at 5.3d).

## 6. **Managing Funds and Processing Applications**

6.1 There are perhaps three different ways of managing funds - competitive applications, automatic entitlement and a filtering system.

6.2 Competitive applications. The philosophy in some schemes is to invite applications and then decide between them using some form of scoring process. If funds are limited, a competitive process means that only higher scoring schemes receive grant offers. Defra business schemes work in this way. This can mean that a high proportion of applications fail (information supplied by Defra in Feb 2003 was that Derbyshire RES applications up to December 2002 had a 36% success rate – i.e. 2 in 3 failed).

6.3 'Automatic Entitlement'. At another extreme all businesses submitting a valid application for Defra's ESA scheme are automatically entitled to a grant payment. Defra's new entry level agri-environment scheme will also automatically make grant payments once the applicant has passed a threshold points score (and the applicant themselves will be able to work out whether or not they will pass the threshold).

6.4 Filtering System. The Peak District National Park Authority's New Environmental Economy Programme operates through a three stage process:

- a. Initial reaction to enquiries making clear the eligibility criteria for participation.
- b. Facilitation to help businesses that meet the criteria and have a good business idea to convert that idea into an application. This can include direction to advisory services (e.g. to Business Link to help applicants prepare a Business Plan).
- c. Formal application. By this stage only projects that are likely to receive grant offers will remain. A scoring process then determines the grant rate to be offered.

This NEE procedure is designed to weed out proposals by a progressive process which is intended to save administrative time (by not processing and rejecting poor applications). It also has the effect of helping business discover for themselves, at an early stage, that perhaps their idea is not a good business proposal after all.

6.5 Ensuring Probity. There is of course a risk in any grant scheme that public administration could get 'too close' to applicants. All schemes therefore have arrangements built in to ensure public funds are spent appropriately. These safeguards include typically:

- a. Decision letters are not signed by the facilitator working with the business (and there are various procedures to check any information provided by facilitators).
  - b. Payment processes are separated from scheme administration.
  - c. Independent audit.
- 6.6 As with the questions associated with scheme administration (see 5 above) there is an important requirement to achieve all the following objectives:
- a. User friendly arrangements for participants.
  - b. A clear relationship between the total cost to the public purse and the benefits this buys (in the short and long term).
  - c. As simple an administrative system as possible consistent with clear accountability and probity arrangements.
  - d. Independent audit and scrutiny procedures.

## **7. Business Feedback**

- 7.1 The original intention of this research had been to interview a cross section of applicants and participants in the different grant schemes. However, Defra will not release information on individual projects so this has not been possible. Defra is the only organisation holding this information on an absolutely confidential basis – all other grant scheme managers were willing to release this information (see 3.7 and 1.10).
- 7.2 Therefore other sources of information have been sought where business feedback had been provided. This helps to identify the ingredients of ‘business-friendly’ schemes and the key areas in which existing schemes could be improved or new schemes developed.
- 7.3 Leader 2 Experience. At the completion of PDNPA’s Peak Rural Opportunities programme (part of Leader 2) in 2001 a survey was carried out of scheme participants. This asked participants to identify the programme’s best features and suggestions for improvement. These were completely ‘open’ questions and participants put in their own words what had worked well (and why) and what would have made the scheme better (Reference 6). Analysis of these responses enabled the key points to be summarised (based on the respondents’ own words).
- 7.4 The three best features were –
- (a) Local helpful contact officer.
  - (b) Funding to enable things to happen that otherwise wouldn’t.
  - (c) Good information and an easy application process.
- 7.5 The two key suggestions for improvement were –
- (a) Link to other funding programmes.
  - (b) Improved information between businesses to stimulate business collaboration.
- 7.6 Rural Business Start Up Focus Group. This event was organised in 2004 by Business Link for small rural businesses in Derbyshire. It included feedback from businesses on ‘Ideas/Solutions and Good Practice’. The points raised included –
- (a) Help with start up funding.
  - (b) Enhanced networking between businesses.

- (c) Local source of advice (and financial support).
- (d) Umbrella programmes (bringing together funding streams through a single application process).
- (e) Simplified information (not 'scheme handbooks').
- (f) Face-to-face contact to establish a mutually trusting relationship.
- (g) Better linkage between Defra and Business Link advisory services.

7.7 Defra's England Rural Development Programme. This is aimed at rural (particularly farm) business development and Agri-environment schemes. This Mid-Term Review was conducted by consultants ADAS/SQW in 2003 (Reference 7). Among the conclusions were:

- (a) The need to examine 'displacement' and 'deadweight' issues which might affect the value for money of business development schemes.
- (b) The missed opportunities to link together the various elements of ERDP to encourage linkage between (for example) training, business development and environmental management.
- (c) To integrate Defra funding streams better with non-Defra programmes.
- (d) To better link social, economic and environmental objectives in the design and operation of funding schemes.
- (e) To simplify application processes, particularly for low cost schemes.
- (f) To improve facilitation services, including the development of 'deep facilitation' to improve the capacity of the rural community to consider, and embark on, new ventures.
- (g) To record the different elements of administration separately – eg between facilitation and application processing.
- (h) To make the application processes and scoring systems public documents.
- (i) To link better to non-farming projects and non-farming funding schemes.
- (j) To improve information collected on outputs and outcomes (see 3.6 above).
- (k) To simplify the range of Defra schemes, with mechanics of funding sources and data integration taking place 'behind the scenes'. This is how the PDNPA's New Environmental Economy Programme operates – (see 5.4). The Peak District LMI would have worked in a similar way had it moved to an operational (see 7.9).
- (l) To make all aspects of Defra project applicants and applications 'more transparent' so that potential applicants and partners know fully how schemes work and what is being achieved (NB information on Defra funded projects is still regarded as absolutely confidential – see 1.10, 3.7 and 7.1).
- (m) Encouragement of 'cross chapter working' between the different elements of the EU's Rural Development Regulation when the Regulation is reviewed.

7.8 Some of these recommendations seem likely to be embraced within the EC's proposals for a new EAFRD regulation. However other recommendations relate to working practices and could be introduced before the EAFRD becomes operative.

- 7.9 The Peak District Land Management Initiative. (PDLMI) was set up in 2000 with a group of farmers anxious to improve their environmental management and develop new business ventures. It developed ideas for a new programme based on the objectives of the England Rural Development Programme but with a far simpler funding scheme (replacing at least twenty different schemes with a single scheme). The initiative was never implemented, despite farmer support, because the necessary experimental funding was never made available. The project report was published in 2003 (Reference 8). This PDLMI experience showed clearly
- (a) That the existing funding schemes are not clearly focused on the new priorities for rural policy. The policies had been changed (eg Defra's Sustainable Food and Farming Strategy of 2002) but the funding schemes relate to a mix of old and new policies.
  - (b) That a far simpler funding scheme could be devised that was budget neutral in terms of grant funding and which should lead to savings in administration and management costs.
- 7.10 The business feedback on these experiences of existing schemes was fundamental to the conduct of PDLMI. The businesses emphasised the need for funding schemes to be:
- (a) Coherent and consistent. Different funding schemes had different and sometimes contradictory requirements.
  - (b) Simplified. Currently there are a large number of different schemes managed by many different organisations.
  - (c) More user friendly. A locally based single programme team to facilitate all schemes with a simplified application and claims processes were among the recommendations.
  - (d) A positive philosophy in funding schemes with public funding paid proportional to positive results achieved. Currently a 'subsidy' or a 'compensation' approach tends to dominate the philosophy of farming schemes.
  - (e) Integration between farming and non-farming based support schemes to encourage the development of the rural economy as a whole. Currently farming and non-farming schemes operate independently of each other.
- 7.11 Conclusion on Business Feedback. It is therefore striking that all these reviews came to broadly the same conclusions. These are, in summary:
- (a) That the current funding schemes, all added together, present an amazingly complex public support system for rural areas. The system contains numerous contradictory elements, is not clearly related to the current key national strategy, and is hard for businesses to use.
  - (b) That it should be possible to simplify the system producing a simpler set of funding schemes more clearly focussed on the objectives for rural policy in the 21<sup>st</sup> century with a more user friendly delivery system.
- 7.12 It seems clear that broadly similar conclusions have also been reached by both the European Commission and the UK government. This is reflected in the proposals for the EAFRD regulation to replace the Rural Development Regulation and the proposals for the Rural Pathfinder initiative. The challenge therefore is how to achieve simplification, integration and user-friendliness in operational practice.
- 8. Strategies**
- 8.1 The starting point for devising a new system is to focus on the strategy for the future. From this strategy can follow a pattern of funding schemes that will achieve this strategy in accordance with the principles of simplification, integration and user friendliness.

- 8.2 An analysis of the strategies that the 31 different schemes in the Peak District are following was carried out. This was based on the questionnaire returns from the managers of each of the 31 schemes. The results are presented in Table 4. The 31 different schemes cite a total of 33 different strategies as either the origins of their scheme or a relevant strategy that the scheme contributes to.
- 8.3 These strategies referred to are of four basic types.
- (a) Central government strategies (eg Strategy for Sustainable Food and Farming). In some cases these central government strategies may be implementing EU funding programmes (an example is the England Rural Development Programme).
  - (b) Regional programmes derived from a combination of central government or EU programmes attuned to regional circumstances. Examples are the Economic Development Strategies of the two regional development agencies (EMDA and Advantage West Midlands).
  - (c) Local strategies based purely on the local administrative area – examples are Derbyshire Dales District Council's Corporate Plan or Derbyshire County Council's community strategy. Sometimes these very locally based strategies incorporate strategies of other organisations in a co-ordinating mechanism (eg the Local Community Strategies).
  - (d) Locally based programmes fusing elements of several strategies to create a more integrated action programme usually based on specific themes. These tend to operate on a wider basis than an individual local authority area. Examples include the SRB5 and SRB6 programmes and the Rural Development Programme (now being superseded by the Peak District Rural Action Zone). The Modernising Rural Delivery Programme being coordinated by Defra also seems likely to adopt this approach.
- 8.4 There are very few examples of schemes that link to strategies at central, regional and local level and draw down funding from all three levels of administration. The New Environmental Economy scheme is designed quite deliberately to encourage creative links between sectoral strategies – eg food, farming, economic development, environmental conservation, tourism in a single scheme based on a unifying theme. In this case the unifying theme is making creative use of the high quality environment and thereby achieve social, economic and environmental benefits based on one of the Peak District's most distinctive assets.
- 8.5 The inter-relationships between strategies and schemes is extremely complex. In several cases new schemes have been devised to respond to new strategies (an example is the England Rural Development Programme which was required following changes in EU strategies in the 1990s). In other cases existing funding schemes have continued, with adaptations, because they clearly have a life beyond the original strategy on which they were based. For example, in its response to the August 2004 questionnaire, Defra cite the strategy for Sustainable Food and Farming as the strategy being followed by the Rural Enterprise Scheme – even though this scheme pre-dates this strategy. Similarly village enhancement schemes have been operating for thirty years but they remain relevant to the current generation of rural strategies and have therefore been embraced by them.

## 9. **Towards Simplification and Integration**

- 9.1 The analysis of the purposes the 31 different schemes listed in Table 1 shows that several are focused on very similar objectives. For example there are
- (a) Eight different agri-environment focused schemes with varying objectives, sometimes operating over different geographical areas.

(b) Thirteen different community development schemes focused either on different geographical areas or different topics (or combinations of topics). Examples are community facilities, village environmental enhancement, training and capacity building.

(c) Thirteen different schemes focused on economic development.

9.2 In some cases several different funding sources are combined to create a scheme (as in the New Environmental Economy Programme). In other cases participants can apply to and draw down money from several sources for the same project (see also 5.5 – 5.7).

9.3 To simplify these arrangements would require fewer, more broadly based programmes replacing several existing schemes. There are three possible arrangements which could be applied either singly or in combination:

a. Area-based simplification. Linking together environmental, social and economic development programmes under fewer schemes operating over a common defined geographical area. This would have the advantage of deliberately promoting linkage between the three ingredients of sustainable development.

b. Topic based simplification. Linking together sectoral activity (eg all the community development based schemes) into a simplified programme. This would have the advantage of focusing administration of schemes more closely to administration responsibilities or professional disciplines. However such a 'sectoral simplification' would not easily promote the linkage between social, economic and environmental objectives (the Sustainable Development approach) as each would have its own topic based programme.

c. A multi-disciplinary theme based approach focused on a specific opportunity to apply sustainable development principles to a specific area. This might limit the types of activity being funded to maximise the impact of available public funding on the identified priorities. An example of a theme would be to encourage environmentally friendly farming practices linked to local product development and distinctive local tourism products.

9.4 Whichever route towards simplification is chosen there are two ingredients to any new arrangement.

(a) Clarity on funding sources and how they are to be managed. This needs to be consistent with the idea that drawing down funding streams to create single schemes for business participation is a job for integrated scheme managers, not for applicants. This is a practical application of 'behind the scenes' integration (see 7.7k) as an 'umbrella' programme (see 5.3).

(b) Efficient ways of blending professional specialisms, scheme management and administration into integrated programme teams.

Without simplification of financial management arrangements and simplification of programme delivery arrangements it is likely to be very difficult to make significant improvements in scheme delivery. Co-ordination between separate schemes managed independently will achieve very little.

9.5 Any simplification process needs to address the obvious issues identified earlier. Examples are how to reduce multiple funding of projects to reduce total administration costs (see 5.5 - 5.7); how to address poor take up of farm business project grants (see 4.5); how to make business participation easier (see Section 7).

9.6 The Pathfinder initiative (see 3.2) could be an opportunity to test out new 'local delivery' arrangements which could apply.

(a) An area based system (eg the Peak District)

- (b) A multi-disciplinary theme – based approach.
  - (c) Simplified funding arrangements with clear arrangements for drawing down funding streams.
  - (d) Using the specific ingredients of successful programmes (see 7.10).
- 9.7 Historically public sector organisations were founded on single sector responsibilities – maximising food production, revitalising the forestry industry, promoting wildlife conservation, developing tourism, creating community facilities etc. The challenge of ‘Sustainable Development’ is how to link these different sectoral interests together so that the net effect brings benefits to all these sectors (‘the whole being greater than the sum of the parts’). This requires new ways of working between the different organisations whichever combination of the three approaches identified at 9.3 above is chosen.
- 9.8 There have been pilot schemes operated successfully which have set up integrated programme teams with a single budget drawn from several organisations. The pioneer of this approach was the 1980s Peak District Integrated Rural Development Project but there are other examples in other countries. These have all tended to operate on an experimental basis and over a small geographical area.
- 9.9 A Countryside Agency commissioned report (Reference 9) on a variety of funding programmes identified the key ingredients of successful locally based rural development projects. Building in these ingredients will be essential if the Government’s ambitions for the next generation of rural programmes is to be effective.
- (a) Genuine devolution of budget and decision making to a local level is essential.
  - (b) Bring together multiple funding streams for both large projects and small local activity.
  - (c) Create a simple procedure for applications.
  - (d) Have clear sponsorship arrangements and common timescales between different funding streams.
- 9.10 The challenge of scaling up this experimental experience is inherent in the ideas underlying both the EAFRD proposal and the Government’s Pathfinder initiative. Examples from other countries show that this process is already under way with notable examples in Sweden, Germany and Ireland. In all these cases an area-based multi-functional unit is being established bringing together farming and non-farming schemes linked to a local strategy and a locally based facilitation and advisory system. A National Audit Office report reviewed several of these examples from other countries (Reference 10). They could provide experience for the Pathfinder initiative (see 9.6).
- 9.11 This report shows how complex the existing system has become. The next logical step is to develop proposals for simplifying the arrangements. The diagram on page 5 shows the features that will need to be incorporated in this next generation of locally based rural funding programmes.
- 9.12 Any attempt at simplification will fail without guarantees of continuity in funding over a reasonable period (at least five years). This will be essential to justify the effort involved and to provide reasonable certainty that the necessary skilled staff can be recruited (or deployed) to manage any new initiative. Such continuity is also absolutely crucial to build business confidence and generate momentum in the local business and local community sectors. These are the intended participants in all these schemes and they need to be able to build trust in new arrangements and the opportunity to show what can be achieved in practice (Reference 9).

K J Parker  
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 18 March 2005

**Documents Referred to:**

1.	Research brief and project proposal dated 9 July 2004
2.	Contract letter from Countryside Agency dated 9 August 2004
3.	Proposal for a Council Regulation on Support for rural development by the European Agricultural Fund for Rural Development (EAFRD) COM (2004) 490 final: July 2004
4.	Rural Strategy 2004: Defra: July 2004
5.	Pathfinder Analysis: Brief for Defra research project February 2005.
6.	Report on Peak Rural Opportunities: Peak District National Park Authority 2001.
7.	Mid-Term Evaluation of the England Rural Development Programme by ADAS/SQW 2003.
8.	Peak District Land Management Initiative: Project Report: PDNPA 2003.
9.	Integrated Rural Development: An approach to modernising rural delivery to achieve sustainable development. Countryside Agency 2005.
10.	National Audit Office report: 'Helping Farm Businesses in England'; September 2004

**Table 1 Rural Funding Programmes in the Peak District, Patterns of Expenditure 2000 to 2004**

Managing Organisation	Name of Scheme	Funded by ①	Area ②	Expenditure in £ ③			
				2000 (or 2000/01)	2001 (or 2001/02)	2002 (or 2002/03)	2003 (or 2003/04)
DEFRA	Vocational Training Scheme	DEFRA and EAGGF	PDNP	0	0 (2 approved did not proceed)	0	0
DEFRA	Rural Enterprise Scheme	DEFRA and EAGGF	PDNP	0	50,000	24,000	16,000
DEFRA	Processing and Marketing	DEFRA and EAGGF	PDNP	0	0	0	0
DEFRA	Countryside Stewardship	DEFRA and EAGGF	PDNP	?	?	?	291,000
DEFRA	Environmentally Sensitive Area	DEFRA and EAGGF	North Peak ESA only (figures for SW Peak not supplied)	143,000	117,000 (by year of grant offer)	295,000	1,900,000
DEFRA	Farm Woodland Premium Scheme	DEFRA and EAGGF (& links to separate FC scheme – see below)	PDNP	0	0	3,000	1,000
DDEP	Leader + (from 2004)	?	Peak District Objective 2 + Transitional	Predecessor Leader 2 programme (no info) closed 2001			207,000 (projects approved)
DDEP	Rural Development Programme	EMDA + AWM + District Councils etc.	DDEP Rural Action Zone (HPBC + DDDC Part SMDC)	194,000	352,000	944,000	608,000
				(NB includes funding to specific grant schemes e.g. NEE – so some double counting)			
PDNPA	Community Planning Grant	ERDF + District Councils + RCC	Peak District Objective 2 + Transitional	0	0	108,000	178,000

PDNPA	Village Management Grant	PDNPA	Conservation Areas in PDNP	67,000	2,000	33,000	28,000
PDNPA	Heritage Economic Regeneration (HERS)	PDNPA	Conservation Areas in PDNP	0	56,000	48,000	40,000
PDNPA	New Environmental Economy	ERDF + CA + DDEP + EN + VHE + PDNPA + District Councils	Objective 2 + Transitional + PDNP + RAZ (overlapping areas)	0	0	59,000 grants + special projects (not inc)	124,000 grants + special projects (not inc)
PDNPA	Farm Conservation Scheme	PDNPA	PDNP	135,000	96,000	65,000	25,000
PDNPA	Sustainable Development Fund	Central Government special grant	PDNPA + adjacent areas	0	0	64,000	91,000
GOEM	Objective 2 and Transitional Area	ERDF	Objective 2 and Transitional	ERDF funding used to support seven different grant schemes – six of which are managed by PDNPA and the seventh by East Midlands Food and Drink Forum. Only two are relevant to this Research Project. Figures included in the relevant projects ie Community Planning, New Environmental Economy and Food Manufacturing Investment Fund.			
EMDA	Rural Development Programme & PDNPA's	EMDA	Included under DDEP & PDNPA as relevant	Included in relevant grant schemes.			
Countryside Agency	Vital Villages	CA	Derbyshire	0	780,000	1,358,000	993,000
	Village Shop			?	?	?	?
	Local Heritage Initiative			?	?	?	?
	Doorstep Greens			?	?	?	?

English Nature	Wildlife Enhancement	EN	SSSI areas in PDNP	?	?	?	243,000
		ESA top-up stewardship grant		?	?	?	39,000
		ESA stewardship top up		?	?	?	6,000
Forestry Commission	Woodland Grant Scheme	FC (Links to Farm Woodland Premium Scheme)	PDNP	147,000	161,000	297,000	290,000
Derbyshire Dales District Council	Historic Buildings Grant	DDDC	Applies to DDDC area outside PDNP	?	?	9,000	5,000
Derbyshire Dales District Council	Conservation Area Enhancement	DDDC	Conservation Areas outside PDNP	?	?	0	0
Derbyshire Dales District Council	Rate Relief	DDDC	DDDC	?	?	?	?
High Peak Borough Council	SRB6 Buxton & the Peak District	Special funding from ODPM & District Councils etc	Part of Derbyshire Dales and High Peak	10,000	381,000	653,000	1,159,000
Staffordshire Moorlands District Council	SRB5	Special funding from ODPM & District Council etc	Operating area is 34 parishes in SMDC and East Staffs. Mostly in PDNP (figures are PDNP)	246,000	505,000	643,000	574,000

East Midlands & Food & Drink Forum	Food Technology & Knowledge Brokerage	Food from Britain + EMDA + ERDF via East Midlands Fine Foods	Derbyshire	New scheme started 2004. Expertise up to £2,000 in value per business			
Food & Drink Forum	Food Manufacturing Investment Fund	ERDF	Derbyshire eligible area	?	?	?	?
				(scheme closed in 2003)			
Derbyshire County Council	Green Action Grants	DCC	PDNP	2,000	2,000	2,000	2,000
Totals				944,000	2,502,000	4,605,000	6,820,000

①	The sources of funding used for the grant scheme. Some programmes are managed by the organisation providing the funds. In other cases the managing organisation is dependant on funding from other organisations (in whole or in part). Compare column 1 and column 3.
②	The geographical area covered by the grant scheme has been provided on a 'closest to the PDNP' basis as possible. The actual geographical area for the figures used is given in this column.
③	Expenditure in thousands of pounds rounded to the nearest thousand.
?	Expenditure probable but no figures supplied.
0	Expenditure recorded as zero by the Managing Organisation

**Table 2 Average Project Size for Selected Peak District Grant Schemes, 2000-2004\***

Managing Organisation	Name of Scheme	Grant Offer ①	Total Cost ②	Average Grant (%) ③	No. Projects	Average Grant
DEFRA	Rural Enterprise	268,000	510,000	53%	5	54,000
DEFRA	Countryside Stewardship ④	291,000	?	?	26	11,000
DEFRA	Env. Sensitive Area ⑤	2,455,000	2,614,000	94% ⑤	138	18,000
CA	Vital Villages ⑥	3,132,000	5,140,000	61%	116	27,000
DDEP	Rural Dev. Programme	2,099,000	? ⑦	? ⑦	127	17,000
PDNPA	Community Planning	287,000	287,000	100%	125	2,000
PDNPA	Village Management	130,000	402,000	28%	111	1,000
PDNPA	HERS	251,000	?	?	27	9,000
PDNPA	NEE	184,000 ⑧	379,000 ⑧	48%	28	6,000
PDNPA	Farm Conservation	322,000 ⑨	-	-	254	1,000
PDNPA	Sustainable Development Fund	268,000	1,337,000 ⑩	20% ⑩	65	4,000
HPBC	SRB 6	3,512,000	15,654,000	22%	58	61,000
SMDC	SRB 5	1,870,000	2,083,000	90%	33	57,000
Food & Drink Forum	Food Manufacturing Investment Fund	?	?	?	?	?
Totals		15,099,000	28,406,000	AV = 57% *	-	AV = 21,000**

①	Grant offered in 2000 – 2003 reduced by the number of projects approved that did not proceed
②	Total cost of projects from grant offers reduced by number of projects approved that did not proceed. The number of projects is also reduced by the number of approved projects that did not proceed
③	Average grant percentage is ② divided by ①
④	Only 2003 figures provided by DEFRA. Costs are mixture of capital and management
⑤	Will include annual management grant (which is not at a percentage grant)
⑥	Vital Village information is on a whole county (Derbyshire) basis
⑦	DDEP return states grant offer is the same as total expenditure which is unlikely. Therefore no figures for grant % is given in this table
⑧	These figures are for grants paid over the period 2002 – 2003 and the total value of the projects on which grant aid was offered
⑨	Capital costs plus first year of annual management grants only
⑩	Most Sustainable Development Fund projects are also assisted from other public funding sources. The grant percentage for all public funding going to SDF projects will be much higher than 20%.
*	The average of the average of 9 schemes
**	The average of the average of 13 schemes

**Table 3 – Scheme Administration: some examples of different arrangements**

Name of Scheme	Responsibility for different aspects of scheme						
	Promotion	Facilitation	Appraisal	Decision	Claim	Payment	Monitoring
Defra – Rural Enterprise Scheme	Defra's Rural Development Service (RDS) and 'Co-ordinating Bodies' eg Business Link Staffordshire	Business Link and other Co-ordinating Bodies	RDS (+ consultation)	Regional Panel (Defra and Government Office)	RDS	Rural Payments Agency (RPA)	Organised by Defra. Also RPA, EC and National Audit Office
Countryside Stewardship (within National Park)	RDS + PDNPA+FWAG	Mostly PDNPA	RDS	RDS	RDS	Rural Payments Agency	Independent organisations (currently ADAS) + RPA
PDNPA – Heritage Economic Regeneration Scheme	PDNPA	PDNPA	PDNPA	PDNPA	PDNPA	PDNPA (+ part recovery from English Heritage)	PDNPA
PDNPA – Community Planning	PDNPA + NE Staffs Rural Regeneration + Derbyshire Rural Community Council	As left	As left	Grant Panels from organisations	PDNPA	PDNPA (part recovery from Government office)	PDNPA + GOEM
PDNPA – New Environmental Economy Programme	Co-ordinated by PDNPA. Many others involved with most referrals from Business Link	PDNPA	PDNPA + Business Link (verifying arrangement)	PDNPA	PDNPA	PDNPA (part recovery from up to 14 sponsors including GOEM)	PDNPA
Countryside Agency Vital Villages	Rural County Rural Community Councils (RCC) + CA	Retained Consultants + RCC + Business Link	CA	CA	CA	CA	CA+ consultants
SRB6 Buxton and the Peak District	Business Link	Business Link + Programme Manager	Programme Manager + Joint Officer Group	Partnership Board	Programme Manager	HPBC	Programme Manager
SRB5 NE Staffordshire	Staffs CVS, Business Link and others	As left	SRB5 Partnership Board + SRB Theme Groups + AWM	As left	Programme Manager	Staffs Moorlands DC	Programme Manager
English Nature – Wildlife Enhancement	EN	EN	EN	EN	EN	EN	EN

**Table 4 : Analysis of strategies being followed by the 31 Funding Schemes**

Scheme	Year started	Stated strategy being followed	Other strategies referred to as relevant	Focus of scheme
DEFRA Vocational Training Scheme	2000	Strategy for Sustainable Farming & Food	-	Training initiatives focused on farm businesses.
DEFRA Rural Enterprise Scheme	2000	Strategy for Sustainable Farming & Food	-	Business development focused on farm businesses and food production. Also a community services element.
DEFRA Processing and Marketing	2000	Strategy for Sustainable Farming & Food	-	Larger scale food manufacturing enterprises – business expansion or new businesses.
DEFRA Countryside Stewardship	1991	DEFRA's Public Service Agreements related to natural heritage and support for environmentally friendly business development (Targets 3 and 7)	England Rural Development Programme. UK Biodiversity Action Plan	Environmental management outside designated ESAs
DEFRA Environmentally Sensitive Areas	1988 (N Peak)	To protect the landscape, wildlife and historic interest of specific areas. (In PD this is the 'North Peak' and the South West Peak ESA's)	Compliance with Good Farming Practice	Environmental management within the designated ESAs
DEFRA Farm Woodland Premium Scheme	1992	Encourage the creation of new farm woodlands	England Rural Development Programme. Forestry Commission's Woodland Grant Scheme	Creation of new woodland on farms
Leader Plus	2002	1. Peak District Rural Deprivation Forum . 2. Our Countryside – 'the Future (the Government's Rural White Paper) 3. Peak District Rural Development Programme	EMDA Strategy. DDEP (new programme established 2004)	Training for business development and community well being in the defined Leader Plus area. 6 different schemes. Focus is women and young people.
DDEP Rural Development Programme	1999	EMDA Strategy	-	Economic development in the Rural Priority Area.
PDNPA Community Planning (operates outside PDNP as well)	2002	1. Develop ability of communities to build capacity for planning and project work 2. Enhance economic, social and environmental prospects of participating parishes through grant scheme	1. E Midlands Regional Assembly Integrated Regional Strategy 2. EMDA's Economic Strategy 3. West Midlands Economic Strategy 4. Rural White Paper 5. Countryside Agency	Villages in the Objective 2 area. Capacity building and project work focussed on community facilities (eg Village Halls) and community owned visitor facilities including environmental projects
PDNPA Village Management	1970's	Village enhancement within Conservation Areas. (NP Management Plan)	-	Environmental improvements – eg open spaces, building repairs, tree planting, street furniture
PDNPA Heritage Economic Regeneration	2001	Encourage repair of buildings for economic and environmental benefit (NP Management Plan)	English Heritage programme operating in 18 Village Conservation areas	Building restoration to create both economic and environmental benefits

Scheme	Year started	Stated strategy being followed	Other strategies referred to as relevant	Focus of scheme
PDNPA New Environmental Economy (operated outside PDNP as well)	2002	<ol style="list-style-type: none"> <li>1. EMDA Regional Economic Strategy</li> <li>2. RAZ Interim Strategy</li> <li>3. East Midlands Objective 2 Programme</li> <li>4. National Park Management Plan</li> </ol>	<ol style="list-style-type: none"> <li>1. Local Community Plans of District Councils</li> <li>2. SRB5 &amp; SRB6 programmes (Staffs and Derbys respectively)</li> <li>3. E Midlands Assembly Integrated Regional Strategy</li> <li>4. Government Food &amp; Farming Strategy</li> </ol>	Economic development using environmental assets. Linking public and private sector activity and linking different business sectors.
PDNPA Farm Conservation Scheme (amended 2004 to become Environmental Enhancement Scheme)	1987 (FCS) 2004 (EES)	National Park Management Plan	<ol style="list-style-type: none"> <li>1. Strategy for Sustainable Farming &amp; Food</li> <li>2. DEFRA Rural Strategy 2004</li> <li>3. Regional Strategies</li> <li>4. Local Strategic Partnership Community Plans</li> </ol>	Environmental Conservation work on NP farms that is not supported through national agri-environment schemes (eg ESA's and Stewardship)
PDNPA Sustainable Development Fund	2003	<ol style="list-style-type: none"> <li>1. Sustainable Development Strategy (DEFRA)</li> <li>2. Sustainable Communities (DEFRA)</li> </ol>	-	Main focus is community led environmental work but can also support business-led projects. Operates throughout PDNP but also in adjacent areas with links to NP
Objective 2 Programme (GOEM)	2001	<ol style="list-style-type: none"> <li>1. Objective 2 Programme</li> <li>2. EMDA Regional Economic Strategy</li> <li>3. E Midlands Assembly's Integrated Regional Strategy</li> <li>4. DDEP Economic Strategy</li> <li>5. RAZ Interim Development Plan</li> </ol>		Objective 2 and Transitional Areas in PD. Economic Development of non-farm businesses which fall within DEFRA programmes. Some overlap with DEFRA on food businesses. Focus of Objective 2 is to fund schemes managed by others – Food Forum, New Environmental Economy and Community Planning in this analysis.
EMDA programmes	Various	EMDA Regional Strategy		Funding for other programmes eg <ol style="list-style-type: none"> <li>1. SRB6</li> <li>2. DDEP and PD Rural Action Zone</li> <li>3. New Environmental Economy</li> </ol>
Countryside Agency 'Vital Villages'	2001 (closed 2004)	Rural White Paper		Community focused work <ol style="list-style-type: none"> <li>(a) Community Planning/capacity building</li> <li>(b) Community facilities (shops play areas etc)</li> <li>(c) Community transport</li> </ol>

Scheme	Year started	Stated strategy being followed	Other strategies referred to as relevant	Focus of scheme
Countryside Agency Local Heritage Initiative	2000	Heritage Lottery Fund		Community led heritage projects
Countryside Agency 'Doorstep Greens'	2001	1. 'New Opportunities' through National Lottery 2. Index of multiple deprivation and existing access to green space.	Regional targeting through Doorsteps Green programme	Creation of new open spaces and improvement of existing open spaces.
English Nature Wildlife Enhancement Scheme	1973 original EN grant schemes	Biodiversity Action Plan	1. National Park Management Plan 2. DEFRA's Sustainable Development Strategy 3. East Midlands Assemblies Integrated Regional Strategy	Wildlife Conservation action not linked to ESA or Stewardship participation (see below). Focused on Sites of Special Scientific Interest
English Nature ESA Top up	?	As above	As above	Desirable wildlife conservation on ESA farms not covered by the ESA agreement
English Nature	?	As above	As above	Desirable wildlife conservation on farms in Countryside Stewardship not provided for in the Stewardship Scheme
Forestry Commission. Woodland Grant Scheme	Long established programme with periodic reviews	Woodland Management and woodland planting	National Park Management Plan	National scheme encouraging good woodland management, especially new planting and re-stocking.
Derbyshire Dales District Council. Historic Buildings Grant	1980's	DDDC Corporate Plan	-	Support repair work on listed buildings in Conservation Areas. Operates in DDDC area outside PDNP.
Derbyshire Dales District Council. Conservation Areas Enhancement Scheme	1980's	DDDC Corporate Plan	-	Environmental enhancement in Conservation Areas outside PDNP.
Derbyshire Dales District Council. Rate Relief Scheme	?	?	?	Rate relief for qualifying businesses
SRB6 – Buxton and the Peak District	2001	EMDA Regional Economic Strategy	Relevant strategies related to the three themes – see right	Support new Projects based on three themes – (a) Employment (b) Learning & skills (c) Enterprise and Innovation Focus is economic development in the SRB6 area, including support for training initiatives and public sector infrastructure investment

<b>Scheme</b>	<b>Year started</b>	<b>Stated strategy being followed</b>	<b>Other strategies referred to as relevant</b>	<b>Focus of scheme</b>
SRB5 – Rural North East Staffordshire	1998	<ol style="list-style-type: none"> <li>1. Developing business potential</li> <li>2. Raising skills level</li> <li>3. Enhancing capacity of rural communities</li> <li>4. Improve transport</li> <li>5. Improved community safety</li> </ol>	<ol style="list-style-type: none"> <li>1. Leek Cheadle MTP programme</li> <li>2. Objective 2</li> <li>3. Local Community Strategy</li> <li>4. Advantage West Midlands Economic Strategy</li> </ol>	Economic development, Community development, training
East Midlands Food & Drink Forum. Food Technology and Knowledge Brokerage	2004	Uptake of innovation by Food and Drink manufacturers	<ol style="list-style-type: none"> <li>1. Creation of food technology led Manufacturing Sector</li> <li>2. EMDA Regional Economic Strategy</li> </ol>	Food processing businesses in Objective 2 area supported through specialist advice to individual businesses
East Midlands Food & Drink Forum. Food Manufacturing Investment Fund	2001 (finished 2003)	?	?	Grant aid to food and drink businesses to help business development. Objective 2 funded.
Derbyshire County Council Green Action Grants	1994	Derbyshire Community Strategy	-	Environmental action – including recycling initiatives