

**LOCAL DEVELOPMENT STRATEGY  
BLACKDOWN HILLS & EAST DEVON (BHED)  
LOCAL ACTION GROUP  
2008-2014**

**MAKING IT LOCAL**



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### Acknowledgements

The creation of this Strategy and Bid document has been a true collaborative effort, reflecting all that is good about the LEADER approach to local development. Despite lack of staff and heavy workloads in the two AONBs who have led on this project, many people have committed extraordinary amounts of time and passion to the ideas and substance that follow. Thanks are due to all those involved with the current LEADER+ programme, especially the Steering Group; all those who came to consultation events, submitted projects or spoke with us as we developed the bid; and the Bid Development Group and Partners who steered the process. Special thanks are due to John Sreeton and Adrian Dawson of EKOS Consulting and to Hannah Reynolds and Angela McTiernan of HRA, who gave more than we asked and finally thanks to the main contributors to this document and the Expression of Interest - Lisa Turner, Gavin Saunders, Chris Woodruff and Jenny Archard.

*Cllr Paul Diviani, Chairman Elect, BHED LAG*

## A. SUMMARY

### A strategy with a clear uniting theme

The aim of the BHED Strategy is to use the outstanding environmental quality and local human potential of this area as a springboard for sustainable economic growth. The common threads running through this strategy are:

- The importance of using the rich local environment as a springboard to new and improved local economic activity, including the development of social enterprise and community initiatives;
- The need to strengthen local connections and existing business and community networks as a base for collaboration and profitable exchange of ideas.

### A common identity, a common natural wealth and a shared desire to work together

The area covered includes all the parishes within the Blackdown Hills and East Devon AONBs, together with the surrounding gateway market towns of Axminster, Honiton, Wellington, Chard, Seaton, Sidmouth and Ottery St Mary. The total population of the area is 125,000. The area has a natural coherence as a landscape, a common experience of socio-economic challenges, a reciprocal need between its towns and rural hinterland, and a shared passion to create opportunities to address these challenges that are firmly based on a high quality living, working landscape. The boundary stands scrutiny when viewed externally as an economic sub-region, while also having logic as a community of interests when viewed internally by the potential beneficiaries of this bid.

### A true partnership of interests

The Shadow Local Action Group, which has developed with this strategy, is made up of local business partners, local economic development expertise, those connected with the environment, community members from across the area and public sector agencies. *BHED: Making It Local* is a natural step up from the existing LEADER+ Local Products programme in the Blackdown Hills. The successes of this programme have led to more local partners wanting to be involved, and thus an expansion of the small original LAG area. BHED will tackle shared issues to provide a springboard for sustained economic growth which builds on the opportunities of a unique, diverse natural environment.

### A rural area with shared challenges, opportunities and aspirations

The BHED area shares a common desire to create a diverse local economy based on collaborative activity, not over reliant on one particular sector, with more investment in sustainable tourism as a way of underpinning a more self-reliant future. The partnership recognises the diverse environment of the area as an under-used resource, the further utilisation of which can serve to strengthen the environment itself. This Local Development Strategy addresses shared challenges through actions that increase the local economic multiplier, developing appropriate supply chain initiatives that build on the LEADER+ programme.

### A powerful case for local action

The case for the proposals in this strategy rest on two main areas of need, and two main sources of opportunity:

*The need to address poor economic performance.* The area has a vulnerable, low skilled economy, with high numbers of small businesses with poor growth ambitions and providing below-average earnings. There is a strong need to address the area's significant dependence on manufacturing by increasing the prosperity of smaller businesses. Business aspirations need to be raised, market knowledge increased and innovation encouraged.

*The need to improve provision of and access to services.* This rural and dispersed population of the area lacks local connectivity, as demonstrated by a poor transport network with restricted access to key market towns, and poor access to health and other services for an ageing population.

*The environment as an opportunity.* The area has an outstandingly rich environment which offers a brand identity for businesses to harness, yet the means to exploit this marketing asset are currently limited. The natural environment is also a source of sustainable material resources which underpin the land-based industries. These resources are currently under-used, with more potential for developing value-added food, fibre and wood-based products.

*Local Governance structure to build on.* The structures are disconnected from wider activity, but have the potential to be well integrated.

### Objectives for business, community and environment

We present three strategic objectives. More than 80 projects were put forward by local businesses, collaborative groups and local communities during the preparation of the strategy, which were used as a base for development.

*Strategic Objective A: Raise business performance and local employment.* To increase the number of well planned, productive, ambitious businesses who create more local jobs and maximise both local and wider markets for sustainable economic growth

*Strategic Objective B: Connecting Communities.* Support our communities and businesses to make connections and work together, to build local assets and sustainable solutions

*Strategic Objective C: Optimise Sustainable Local Resource Use.* To realise the economic potential of the local environment, both as a resource and as a marketing tool, as a means to enhance prosperity and to sustain environmental quality

## Realistic Funding and Delivery

The BHED Strategy has a total programme cost of £4.49m, with £2.9m being sought from RDPE. Projects are deliverable from the beginning of the Programme, as there is massive momentum from the development work.

## Clear and measurable outputs

The activities promoted under these three objectives will deliver under four outputs:

Raised Business Performance measured in value added to the economy, increased levels of training, innovation, business planning and market knowledge. Increased local employment for local people who can benefit directly from environmental resources such as food and drink, tourism and the creative industries. Increased connections between local people and local businesses, reflected in improved access to local services, and more cooperative networks to share good practice. Increased business activity linked to environmental resources within the area, through harnessing the value of the local environment as a resource and as a brand.

The shared passion to work together for a common good has been a potent and very tangible feature of the discussions which have given rise to this strategy. The people of the Blackdown Hills and East Devon now intend to work together to address their challenges and exploit their advantages. This bid presents an opportunity for which this area is very ready to respond, and deliver.

# B. NEEDS AND OPPORTUNITIES

## B 1 Purpose and Content of the Bid

### Purpose

The purpose of the BHED strategy is to use the outstanding environmental quality and local human potential of this area as a **springboard for sustainable economic growth**. The common thread running through this strategy is based on the twin themes of:

- The importance of using the rich local environment as a springboard to new and improved local economic activity, including the development of social enterprise and community initiatives;
- The need to strengthen local connections and existing business and community networks as a base for collaboration and profitable exchange of ideas.

### Content

This strategy presents three strategic objectives around which key activities and projects will be delivered:

- **Strategic Objective A:** Raise business performance and local employment. To increase the number of well planned, productive, ambitious businesses who create more local jobs and maximise both local and wider markets for sustainable economic growth
- **Strategic Objective B:** Connecting Communities. Support our communities and businesses to make connections and work together, to build local assets and sustainable solutions
- **Strategic Objective C:** Optimise Sustainable Local Resource Use. To realise the economic potential of the local environment, both as a resource and as a marketing tool, as a means to enhance prosperity and to sustain environmental quality

The BHED Strategy has a total programme cost of £4.49m, with £2.9m being sought from RDPE. Projects will be deliverable from the beginning of the Programme as a result of the development work involved in preparing the bid.

### Outcomes.

The activities promoted under the three objectives will deliver four outcomes:

- Better business planning and performance in local businesses.
- A developing opportunity for local employment building on the environmental strengths of the area
- Local people and businesses with improved access to local services and more cooperative networks
- A strong identity between the value of the local environment as a resource and brand in local businesses

The following two outcomes will form the basis of the Exit Strategy:

A confident and well connected rural business network that serves to strengthen and sustain the local economy

A hub organisation with a regional profile that continues to support and sustain rural development across the area

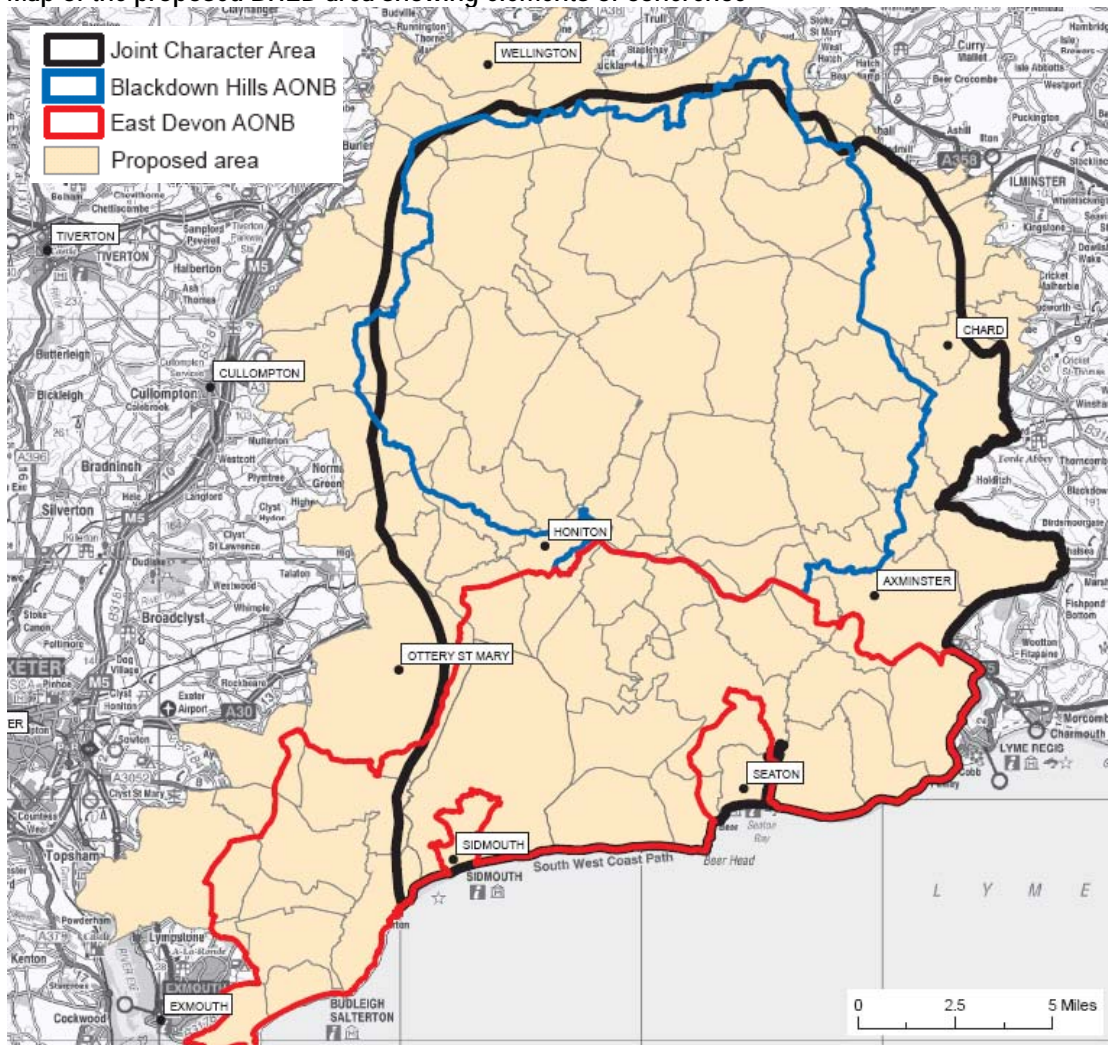
## B2 Area Description and Coherence

The boundaries of the proposed Blackdown Hills and East Devon area have been carefully drawn to encompass a set of natural, cultural and economic characteristics, needs and opportunities that together give a very real coherence to the whole. The boundary stands scrutiny when viewed externally as an economic sub-region, but also makes sense as a community of interests as expressed internally by the potential beneficiaries of this bid; the successes of the existing Leader+ programme in the Blackdown Hills have naturally led to more local partners wanting to be involved, and thus an expansion of the very small original LAG area. The total population of the area is 125,125<sup>1</sup>.

### *A coherent landscape*

The proposed area has a strong landscape identity. Comprising two Areas of Outstanding Natural Beauty (the Blackdown Hills and East Devon), which combined represent over 80% of the Blackdowns Joint Character Area (JCA). The common characteristics of this landscape transcend its shared political boundaries between two counties and several districts, and give rise to a strong shared sense of place for communities within the area.

Map of the proposed BHED area showing elements of coherence



Source: © Devon County Council

The Blackdowns JCA begins high above the Vale of Taunton and Quantock Fringes JCA to the north, while the far west of the proposed area merges into the Devon Redlands JCA. At the southern edge the Blackdowns JCA ends in a complex and varied coastline, marked by the presence of part of England's first natural World Heritage Site in the commonly known "Jurassic Coast", which provides a contrast with the pastoral landscape inland. The continuous progression from a rich inland landscape to an internationally recognised coastline provides significant opportunities to develop joint initiatives, linking businesses on the coast (such as retail and tourism businesses) with potential suppliers from further inland. The

<sup>1</sup> Census 2001 – Parish Populations

inland landscape contrasts between pastoral enclosed field systems in the deeply incised valleys, and wilder, more open heathy ridges above. Together these areas present a sense of remoteness and lack of post-war change, which create the dominant characteristic of the area.

*Mutually dependent towns and countryside*

The area includes all parishes that fall within the AONB boundaries as well as additional parishes with strong associations with those in the AONB, and extends beyond the AONB boundary to embrace the surrounding gateway market towns of Axminster, Honiton, Wellington, Chard, Sidmouth, Seaton and Ottery St Mary. These towns are inextricably linked with their hinterlands, both culturally and economically. They provide important opportunities and potential markets / outlets that can benefit small businesses within the area and in doing so contribute to and gain from market town regeneration. The BHED area does not include Exmouth or Cullompton town as these are seen as being more urban or less cohesive and could distort the programme objectives. However, we anticipate there will be opportunities to work with these towns in the delivery of the programme

*Common challenges and opportunities*

The nature of the area and its archetypal 'rural' feel, also provides a shared set of challenges and opportunities, which this Local Development Strategy seeks to address or exploit. The area's opportunities are firmly rooted in its high quality and nationally important landscape, while its shared challenges relate to the accessibility of services, a restricted sectoral business base and a lack of quality job opportunities for local people. While the proximity of Exeter to the west provides employment opportunities for some, it has a negative economic impact, as people who work there often spend their. The economic relationship between the market and coastal towns in the area and their rural hinterlands needs strengthening.

**Table 1: Parishes and Wards included within the area**

East Devon District	Mid Devon District	Taunton Deane	South Somerset District
<b>PARISHES</b>			
All Saints , Awliscombe, Axminster, Axmouth, Aylesbeare, Beer, Bicton, Branscombe, Broadhembury, Buckerell, Budleigh Salterton, Chardstock , Colaton Raleigh, Colyton, Combe Raleigh, Combpyne Rousdon, Cotleigh, Dalwood, Dunkeswell, East Budleigh, Farway, Feniton, Gittisham, Harpford , Hawkchurch , Honiton, Kilmington, Luppitt, Membury, Monkton Musbury, Newton Poppleford and Northleigh, Offwell, Otterton, Ottery St. Mary, Payhembury, Seaton, Sheldon, Shute, Sidmouth, Southleigh, Stockland, Uplyme, Upottery, Widworthy, Woodbury, Yarcombe	Clayhidon Culmstock Hemyock Kentisbeare Uffculme	Bickenhall Churchstanton Corfe Curland Orchard Portman Otterford Pitminster Sampford Arundel Staple Fitzpaine Wellington Wellington without West Buckland	Buckland St. Mary Broadway Chaffcombe Chard Town Combe St. Nicholas Donyatt Horton Knowle St. Giles Tatworth and Forton Wambrook Whitestaunton
<b>WARDS*</b>			
Axminster Rural, Axminster Town, Beer and Branscombe, Budleigh, Coly Valley, Dunkeswell Feniton and Buckerell, Honiton St. Michael's, Honiton St. Paul's, Newbridges, Newton Poppleford and Harpford, Otterhead, Ottery St. Mary Rural, Ottery St. Mary Town, Raleigh, Seaton, Sidmouth Rural, Sidmouth Sidford, Sidmouth Town, Tale Vale*, Trinity, Woodbury and Lympstone*, Yarty	Cullompton Outer* Lower Culm* Upper Culm	Blackdown Monument Neroche* Wellington East Wellington North Wellington Rockwell Green and West	Blackdown Chard Avishayes Chard Combe Chard Crimchard Chard Holyrood Chard Jocelyn Neroche* Tatworth and Forton Windwhistle*

\* Please note that wards listed here also include those that are only partially included within the BHED LDS area, these are designated (\*). The list of parishes gives the definitive geography.

*A shared commitment to a living, working landscape*

The LDS will be a key mechanism for helping to achieve a shared vision for the Blackdown Hills and East Devon, in which the area's outstanding environment will be home to flourishing communities whose economic activity and collective commitment sustains and improves the environment, maintaining the beauty of the countryside for residents and visitors to enjoy. Central to the shared identity of the proposed area is the ambition for it to remain a living, working landscape, which can be truly sustainable, both economically and environmentally. It is essential for the socio-economic future of the area that the high quality environment drives economic growth in a manner that is consistent with the area's unique qualities, and that it does not become a "rural museum" where communities find it difficult to sustain themselves and where opportunities are limited.



### *Building on a strong local model for success*

The successes of the existing LEADER+ programme in the Blackdown Hills have led to more local partners wanting to be involved, and thus an expansion of the original LAG area. This LDS will address common challenges through actions that increase the local economic multiplier, by developing initiatives that build on the successful local product initiatives of the LEADER+ programme. Operating at this wider scale provides a new opportunity for this part of Devon and Somerset to build on its recent experience in order to target regional and national landscape/rural development priorities to local areas of need, to develop and catalyse socio-economic activity and to promote cultural cohesion. This resonates with work on multipliers in relation to added value through local purchasing carried out by the New Economics Foundation.

### *A shared passion for this place*

The area has a natural coherence as a landscape, a common experience in terms of socio-economic challenges, a reciprocal need between its towns and rural hinterland, and most importantly, a shared passion to create opportunities to address these challenges that are firmly based on a unique, high quality living, working landscape. This shared passion to work together for a common good has been a potent and very tangible feature of the discussions which have given rise to this bid. The people of the BHED area now intend to work together to address their challenges and exploit their advantages. That passion is deep seated and will continue whether or not this bid succeeds - but this bid presents an opportunity to which this area is very ready to respond, and deliver.

## **B3 Using the LEADER Approach**

The BHED '*Making it Local*' proposal is a natural step up from the existing Leader+ Local Products programme in the Blackdown Hills. An extensive and qualitative evaluation of that Programme was begun in autumn of 2007, which has helped form the base for this strategy. It develops its name and thus a locally recognisable brand from the earlier programme. It also borrows from Malcolm Moseley's respected work on rural development<sup>2</sup>, which gives many critical analyses of the LEADER approach.

As part of the next natural step, we are developing from the smaller area and population of the Blackdown Hills AONB which was the focus of the existing LEADER+ programme to build on the local successes and extend the knowledge base that has been created to develop a new local strategy which delivers specific priorities of the SWRIP across a wider area. By extending the area, the newly widened partnership will be able to make the most of the connections between the rural hinterlands and the market and coastal towns. Central to this strategy is the creation of local connections and development of local and wider networks. This can be elusive without the specialist knowledge it takes to facilitate and help them to become productive. From consultation and research we recognise that helping communities make connections will enable more efficient and sustainable local activity. Collaboration with other local LAGs and those further away will create wider connections and strengthen local knowledge and skills.

The consultative process and current programme has shown that there is an appetite amongst local businesses and the community for a 'community led' approach to development of the area. Agencies and local authorities are also keen that this area, which has not benefited from European funding on this scale before, should create a structure that devolves decision making to locally accountable body. The foundations for a new partnership are in place, one which has local support so strong that it will survive whether or not the Local Action funding application is successful.

The Shadow LAG builds on the LAG of the current LEADER+ programme. As the area is much larger and involves a much greater number of potential partners, existing members have given due consideration to a new structure. Whilst retaining some key elements and members, it will enable a wider range of stakeholders to be involved whilst not compromising decision making ability of the core group. It has reviewed and taken on board key messages from 'Local Knowledge, Local Experience'<sup>3</sup>. The new partnership is led by the two AONBs and the Shadow LAG is made up of key local business partners, local economic development expertise, community members from across the area and public sector agencies. The integration of local economic development into the environmental management of the area makes it easier to support sustainable local development which looks to the long term.

In the LEADER+ programme, people began to learn the real value of using the environment as a resource, the landscape as a product and as a brand. Examples that form foundations to build on include:

- the Blackdown Hills Food and Drink Group, which connects local producers, has developed supply chains, and who have just run their first Food Festival
- the use of local green and food waste in Otter Rotters Anaerobic Digestion project, which works with the local community and produces compost and methane
- The Development of the Blackdown Hills Business Association, through activities like the Marquee at the Honiton Show
- The annual Blackdown Hills Hedgelaying Event, which attracts competitors and visitors from across the region, keeps rural skills alive and connects people with the landscape

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<sup>2</sup> Rural Development, Principle and Practice. Malcolm J. Moseley, 2003. Sage Publications

<sup>3</sup> Local Knowledge, Local Experience. South West LEADER+ programmes 2007

## B4 Statistical Baseline

Building upon the initial research undertaken at EOI stage, the statistical baseline provided gives an in-depth socio-economic analysis of the area and a thorough examination of environmental factors. Information comes from a wide variety of sources including local parish plans, MCTI community strategies, District profiles, County profiles, statistical information drawn from the Office of National Statistics, Devon County Council, Devon Rural Renaissance and other sources which give relevant regional and local issues.

Evidence of need given here draws on information gathered during a structured programme of consultation undertaken in 2008, with key local stakeholders through formal consultative events. This developed from work started in 2005 by the then LEADER+ programme manager and members of the LAG. Numerous informal meetings held by AONB staff from the Blackdown Hills and East Devon and the Bid Partnership have collected information on local issues and helped to shape the overall aim and direction for the strategy.

Our evidence base draws on and extrapolates from those involved in the current Blackdown Hills LEADER+ programme, expressed during the recent independent evaluation. The evaluation consulted with eighty one people, including project beneficiaries, project appraisers, programme staff, LAG and others linked to the programme. Interviewees suggested a large range of future needs, or directions that future funds could go. A large proportion of previous beneficiaries (82%) said they would need to access funding in the future to further develop their work in the Blackdown Hills. Other ideas included some kind of funding of an administration infrastructure, and ways of linking up with local market towns better.

A systematic review of all available parish plans and MCTI community plans has been undertaken with help of supportive colleagues in the local District Councils.

This section is organised to reflect the regional fit criteria for the Local Action process i.e. economic performance, provision of and access to services, environmental economy and local governance. It is colour coded to make navigation easier. Within each section we have summarised the relevant issues and trends and summary boxes outline clearly the emerging needs and opportunities.

### B4.1 Economic Performance

#### *KEY ISSUES SUMMARY – ECONOMIC PERFORMANCE*

At an overall level the area has a vulnerable, low skilled and somewhat 'sluggish' economy. The area has comparatively high numbers of small businesses, at least 30% of which operate beneath the VAT threshold. The growth ambitions of the area's businesses are poor epitomised by low levels of business start ups and low levels of business planning and networking and a poor commitment to training and innovation. On average employees within these businesses earn less than the national median and collectively require up-skilling in relation to trade and professional skills.

The economy relies heavily on the presence of certain sectors and key employers. The strong presence of the food and drink and tourism sectors leads to issues relating to part-time and seasonal employment while an over reliance on the manufacturing sector (with in some towns over a third of the working population being employed in this sector) poses particular risks related to the sector's current and predicted decline. Within this context a number of key needs arise:

- The need to address the area's significant dependence on manufacturing by increasing the prosperity of smaller businesses – especially in light of the declining nature of this sector nationally.
- The need to generally raise business development aspirations including more specifically the need for businesses to write an evidence-based and informed business plan, invest in training (to address skills gaps and shortages and assist business growth) and develop new products/services.
- The specific need to address innovation-related issues including problems relating to finding markets for new products, accessing funding for innovation activity and increasing business capacity in order to invest in innovation activity.
- A need to increase market knowledge in order for businesses to reach their potential.

## a. Business Size and Number of Start-Ups

### *Key Issues*

- High numbers of small businesses, in particular micro-businesses and sole traders
- Just under 30% of the area's businesses operate beneath the VAT threshold
- Low numbers of business start ups

According to the Devon Renaissance Business Survey<sup>4</sup> the size profile of businesses within the area is largely made up of smaller businesses, in particular a high proportion of micro businesses (over 50%) and a comparatively high number of sole traders (25.4% compared to an average of just under 22.7%) (Table 3).

**Table 3: Size of businesses in the BHED Area**

Business Size	Respondents from Blackdown Hills / East Devon (n=358)	All respondents (n=3541)
Sole Trader (1 employee)	25.4%	22.7%
Micro (2-9 employees)	53.3%	54.2%
Small (10-49 employees)	18.4%	19.5%
Medium (50-249 employees)	2.3%	2.6%
Large (250-999 employees)	0.6%	0.9%
Corporate (1000+ employees)	0%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Source: Devon Renaissance Business Survey (2006/7)

ABI figures reinforce this pattern estimating that over 88% of the area's businesses have between 1-10 employees<sup>5</sup>. This is of particular concern in Honiton where over 65% of the town's businesses employ fewer than 5 people<sup>6</sup>. In total, just under 30% of these businesses are non-VAT registered (compared to an average within rural Devon of just under 25%)<sup>7</sup>.

In terms of business start-ups, according to the Market Measures Profiling Summary<sup>8</sup> the area has comparatively few business start ups when indexed to regional and national figures (business start-ups linked to the BHED area are indexed at 68 regionally and 59 nationally compared to a 'norm' of 100). This is reinforced by data from the Office of National Statistics giving VAT registrations and deregistration by district. Data for East Devon District (within which most of the BHED area falls) indicates that VAT registrations for 2006 (390 registrations) are currently below 2003-2004 levels (450 registrations)<sup>9</sup>. In addition data provided by Business Link indicates that there are comparatively low numbers of pre-start businesses<sup>10</sup> within the BHED area compared to Devon. When examined in relation to the number of active businesses, 'pre start up' businesses within Devon amounted to the equivalent of 4% of the total business population compared to just 3.5% of the business population within the BHED area<sup>11</sup>.

## b. Key Sectors

### *Key Issues*

- High levels of employment within the food and drink and tourism sectors putting seasonal pressure on the labour market
- High pressure of tourism on parts of the local landscape
- which should be the valued 'asset'
- High dependency on the declining manufacturing sector
- The Arts and culture sector is neglected and has economic potential
- High numbers of land-based businesses operating beneath the VAT threshold
- Pockets of reliance on single employment sources operating within low value-added sectors

<sup>4</sup> It is important to note that data from this survey is used indicatively as it omits businesses from wards included within the BHED area located in South Somerset.

<sup>5</sup> Annual Business Inquiry 2006.

<sup>6</sup> Honiton MCTI Community Plan.

<sup>7</sup> Devon Renaissance – Devon Renaissance Business Survey data (2006/7).

<sup>8</sup> Profiles are generated from postcode level data or output area classifications, using data from the Market Measures Business Universe (collated from a range of commercial business intelligence providers – Blue Sheep, Yell, Thomson, etc), Cameo Geo-Demographics, Jordons Business Startups, Royal Mail Business Changes File and ONS. Data from these sources is merged and cross-validated to create an integrated dataset used extensively by the public and private sector.

<sup>9</sup> Office of National Statistics – VAT Registrations and Stocks data.

<sup>10</sup> Pre-start businesses are business organisations that have approached Business Link for support but are as yet not officially trading.

<sup>11</sup> Business Link (2008).

In relation to *employment*, the working population within the area is most commonly employed in the food and drink, tourism and manufacturing sectors whilst, in relation to the *number of businesses*, food and drink, tourism, retail and land-based industries feature strongly. Arts and Culture are a growing sector, as has been shown through the current Blackdown Hills LEADER+ programme and the energy the SWRDA have put into their cultural Strategy. More detailed information on these trends is as follows:

#### *Food & Drink and Tourism*

Employment figures from the ABI which relate solely to employment within VAT registered businesses (employing the majority of workers) indicate the area has comparatively high levels of employment within the food and drink and tourism sectors (both indicated under the 'distribution, hotels and restaurants' industrial category within Table 3 which make up just over 29% of the area's employment compared to a regional average of 25%). Locally commissioned survey work for the writing of this bid shows that there are at least 75 food and drink businesses in the area that are keen to grow their businesses.

The impact of these sectors on the local environment is concentrated within the tourism sector, with the seasonality of this sector placing pressure on the local landscape. In East Devon District as a whole, 17% of employment was supported by tourism in 2003, somewhat wider than the more rural and even more tourist dependent BHED area. In the same year the District experienced 3,979,000 staying visitor nights and a further 2,658,000 day visits.

**Table 3: Employees by Industry Type**

Major Industrial Category	Blackdown Hills & East Devon		South West	
	No.	%	No.	%
Distribution, hotels and restaurants	10968	29.1%	567184	25.7%
Public Administration, Education and Health	9859	26.2%	630423	28.5%
Manufacturing	6502	17.3%	252101	11.4%
Banking, Finance and Insurance	3801	10.1%	402566	18.2%
Other Services	2357	6.3%	109814	5.0%
Construction	2281	6.1%	99184	4.5%
Transport and Communications	1607	4.3%	106872	4.8%
Agriculture and Fishing	270	0.7%	26256	1.2%
Energy and Water	46	0.1%	16747	0.8%
<b>Total</b>	<b>37691</b>	<b>100.0%</b>	<b>2211147</b>	<b>100.0%</b>

Source: Annual Business Inquiry (2006)

Small food businesses across the area are a key part of the engine of the local economy. Most businesses have originated from farming backgrounds and provide the livelihood not just for one family but for extended kinship groups. In this way, they help form the backbone to the traditional landscape that is so crucial to the area. Local food and farming businesses have said that they need 'focused support' and 'local strategic action'<sup>12</sup>

The tourism (and recreation) sector relies heavily on spend in the coastal zone and in the high season. The tourism offer is seen as very traditional; not yet making the most of the local environmental resources or green tourism. As the area does not contain miles of golden sands, developing the local USP of 'space, freedom, tranquillity, wildlife/nature and escape' is essential. There are some exceptionally high quality providers in the area who can provide the 'pull' to others in the industry ; Hugh Fearnley Whittingstall's River Cottage, near Axminster; The Salty Monk Restaurant with Rooms, Sidford, (B&B Gold Award Winner 2007); Combe House Country House Hotel, Gittisham (Country Hotel of the Year 2007) Higher Wiscombe self catering (DEBI award winners 2008).

#### *Manufacturing*

The manufacturing sector is strongly represented, with **17.3% of the working population employed** in this sector compared to a regional average of just 11.4%<sup>13</sup>. Employment in the sector is particularly prevalent in parts of the area falling within South Somerset where manufacturing businesses (located within and bordering the LAG area) employ almost twice the proportion of employees than regional or national averages. In addition, 37% of those employed and living in Chard, for example, work within the Manufacturing sector<sup>14</sup> while 34% in Wellington do likewise. Some of this is attributable to AugustaWestland and associated companies based further north in Yeovil – one of the most important aerospace engineering areas in Britain and therefore for the region in relation to the development of Aerospace, one of the RDA's key

<sup>12</sup> Hoop Associates report on Business Service 2005, surveyed 100 East Devon Businesses

<sup>13</sup> Annual Business Enquiry – Employee Analysis (2006)

<sup>14</sup> Somerset Market Towns Employment (2008) accessed at [www.markettownsemployment.org.uk](http://www.markettownsemployment.org.uk)

sectors<sup>15</sup>. This wider dependency on the manufacturing sector places the economy of the area at risk with the sector declining nationally, a trend that is replicated within the LAG area where, for example, in Wellington there was a net loss in manufacturing jobs of 20% between 1998 and 2002<sup>16</sup>. East Devon as a district displays a similar picture with the percentage of economic output from the area attributable to manufacturing declining from 13.4% in 1996 to 8.1% in 2006<sup>17</sup>.

### *Land-based industries*

Although largely operating beneath the VAT threshold, land-based businesses within the area have a very significant influence – a local support agency describes them as ‘the engine of the local economy’. Devon Renaissance figures suggest that land-based industries make up 13% of the area’s businesses (made up of a large number of small businesses) compared to those in the manufacturing sector which total just 4.7% (made up of a small number of large businesses). Figures indexing the land based sector within Blackdown Hills to regional and national sector patterns suggest that its presence is twice that of regional and national trends<sup>18</sup>.

In relation to productivity land-based industries within the area have experienced a considerable downturn in their contribution to the percentage of the area’s total economic output, a figure that has decreased from 6.6% in 1996 to just 2.2% in 2006<sup>19</sup>. Further information supplied by Devon Renaissance indicates that just 16% of agricultural businesses participating in a recent survey thought their turnover would increase in the coming year<sup>20</sup>. There are also issues in relation to the take-up of support provided to assist in the reversal of this trend. According to a recent survey of East Devon AONB, overall uptake of agri-environment schemes within the area lags behind the rest of Devon, the South West and England. In particular the area suffers from very low uptake of Entry Level Stewardship (ELS) or Organic Entry Level Stewardship (OELS) schemes<sup>21</sup>.

*In 2007 the Blackdown Hills LEADER+ supported a project to increase uptake of the ELS Scheme, which led to 51 new holdings joining bringing an additional £381,300 into the area.*

### *Woodland sector*

Recent analysis of the woodland sector has provided a valuable baseline for developing more effective collaborative working and maximising the potential of local woodlands as a resource for business. Two small surveys by the East Devon Small Woodlands Network and the Blackdown Hills Woodland Association provide a snapshot of the issues: the following headline findings are taken from these surveys.<sup>22</sup>

Although there are a number of larger woodland units, the bulk of woodland is in smaller sites, creating a fragmented resource. From survey returns in East Devon District, the average woodland size is 10 ha, while in the Blackdown Hills 80% of woodland owners surveyed have small woodlands of under 10ha. There are poor connections to the market, with 85% of woodland owners surveyed in the Blackdown Hills not feeling in touch with local timber markets. In East Devon 63% of survey respondents stated that they need marketing assistance. None of the respondents currently make use of regional woodland directories such as the South West Regional Directory of Woodland Services and Products. 70% of respondents expressed clear interest in a local woodland directory service to aid communication and access to services and markets. Amongst wood product users, 80% of users in the Blackdown Hills felt they are not sufficiently in touch with local wood suppliers, and 100% users would source more materials locally if they could.

In East Devon 34% of respondents would welcome more people in their woodlands, while in the Blackdown Hills 55% are interested in having more public and educational access to their woodlands, showing the need for connection to tourism and leisure. Across the whole area, these surveys highlighted some key aspirations amongst woodland owners and wood product users for developing their sector: These are the development of an umbrella organisation for the whole sector, enhanced communication and access to markets, joined-up advice for small woodland owners and a better, locally value-added price for timber and wood products.

### *Arts and Culture*

The creative sector is composed largely of individual practitioners/producers or very small enterprises. For the individual to survive, they must have a range of skills outside their main creative skill, and co-operative working or networking with other practitioners is often a vital part of supporting those other skills and activities. In the Blackdown Hills, the LEADER+ programme helped facilitate ‘Bhaam!’, the Blackdown Hills Artists and Makers. This newly created artist network currently has more than 20 paid up members, and more being actively recruited. In East Devon, there are 122 artists on the District

<sup>15</sup> South Somerset District Council (2007). An Introduction to South Somerset.

<sup>16</sup> Somerset Market Towns Employment (2008). Accessed at: [www.markettownsemployment.org.uk](http://www.markettownsemployment.org.uk)

<sup>17</sup> Devon County Council (2007). The East Devon Economy 1996-2006.

<sup>18</sup> Agriculture indexing regionally at 233 and nationally at 365 compared to a ‘norm’ of 100 (Market Measures Profiling Summary).

<sup>19</sup> Devon County Council (2007). The East Devon Economy 1996-2006.

<sup>20</sup> Devon Renaissance Business Survey (2006/7).

<sup>21</sup> East Devon AONB (2007). Entry Level Stewardship – Survey and Advice.

<sup>22</sup> \*\*Survey of Woodland Owners in East Devon 2008 (35 respondents), and Blackdown Hills Woodlands Association Survey of the Woodland Industry in and around the Blackdown Hills 2008 (20 respondents)

Council Arts database, and 36 of them signed up to the Devon Artists Network (DAN). The DAN website deals only with the annual Devon wide Open Studios event which has had around 50 venues included in East Devon. There is significant potential for both of these artist lead networks to grow and be capable of having much greater influence and capacity for ongoing professional development. The Thelma Hulbert Gallery in Honiton is currently the only regularly funded arts organisation in East Devon.

#### *Reliance on single employment sources*

In addition to an over-reliance on particular sectors, the area includes pockets of high dependency on large employers that operate mainly within low value-added sectors<sup>23</sup>. These are concentrated in various hot spots including Axminster (in particular Axminster Carpets and Axminster Power Tools), Chard (where 4 of the top 5 employers are in declining sectors), Wellington (where large employers also operate mainly in declining sectors), areas of South Somerset where Haynes Publishing (car manuals), Oscar Mayer (ready meals) and Screwfix Direct (DIY items) are important national businesses in their respective fields<sup>24</sup>. Similar issues also occur in the district of Taunton Deane in relation to organisations and businesses such as the County Council, Musgrove Park Hospital, Avon and Somerset Constabulary and the UK Hydrographic Office. A lack of variety of jobs in Honiton and other parishes (e.g Aylesbeare<sup>25</sup>) and within the district of Taunton Deane<sup>26</sup> further emphasises this reliance.

### **c. Employment and Productivity**

#### **Key Issues**

- Very low business productivity
- High levels of retirement
- High levels of unemployment amongst those over 50
- Low levels of younger people (aged 16-34) within the labour market

Business productivity within the BHED area is considerably below regional and national averages<sup>27</sup>. Within East Devon District, for example, business productivity per head was only 63% of the UK average in 2005, a figure lower than for Cornwall which benefits accordingly from generous European funding programmes, lower than in most of the rest of Devon and is equivalent to GVA in the very deprived area of Torbay. What is surprising is that this comparatively low figure is calculated at the end of a period of considerable economic growth for the area, i.e. when the East Devon economy grew by 5.8% per annum between 1996 and 2006<sup>28</sup>. This indicates the drastically low levels of productivity from which it has grown.

Despite the maintenance of strong growth over the decade this period of growth has recently subsided, however, with the year 2006 showing a significant slowing down in output to 1.6% per annum. It is likely that business productivity in the proposed LAG area would be even lower than this figure, due to the dispersed nature and type of businesses located within it. The economy is made up primarily of sectors such as tourism, small-scale retail and small-scale manufacturing – often linked to agriculture which tend to exhibit lower productivity than many other sectors.

The area displays a fairly standard picture in relation to employment (Table 4) with comparable levels of unemployment to regional trends but with higher levels of self employment (13% compared to 10% regionally) and lower levels of full time employment (33% compared to 39% regionally), an unsurprising trend given the high levels of small and micro businesses in the area and the prevalence of businesses within sectors prone to seasonal and part-time working such as tourism and food and drink.

As the BHED area has an aging population, it gives rise to a higher than average level of retirees, 21.8% in the BHED area compared to a regional average of just 15.5%. There are unusually high levels of unemployment amongst the over 50s<sup>29</sup> (Table 4). Several wards are of particular concern, for example Chard Combe ward has more than double the national average proportion of very elderly residents (17% of the population are aged over 75 years compared to 8% nationally)<sup>30</sup>. In addition, the working age population is predicted to decrease in certain towns within the area, including Axminster and Honiton in particular<sup>31</sup>. This is especially the case within wards based in South Somerset where a decrease in the number of 16-29 year olds is a particular problem, Neroche ward, for example, has the lowest proportion of 16-29 year olds at only 9% - half of the national average<sup>32</sup>.

<sup>23</sup> As indicated by MCTI Community Plans and the Taunton Deane Borough Council Sustainable Community Strategy.

<sup>24</sup> South Somerset District Council, (2007). An Introduction to South Somerset.

<sup>25</sup> As detailed by their respective parish plans.

<sup>26</sup> Taunton Deane Borough Council Sustainable Community Strategy.

<sup>27</sup> Business productivity figures (Gross value added/GVA), are generally only available at county level although figures by district have been supplied by Devon County Council.

<sup>28</sup> Devon County Council (2007). The East Devon Economy 1996-2006.

<sup>29</sup> Unemployment amongst the over 50s indexing at 163 nationally compared to a 'norm' of 100 (Market Measures Profiling Summary).

<sup>30</sup> Ibid.

<sup>31</sup> Axminster and Honiton Community Plans.

<sup>32</sup> South Somerset District Council (2007). An Introduction to South Somerset.

**Table 4: Economic Activity**

Economic Activity		Blackdown Hills & East Devon		South West	
		No.	%	No.	%
Economically Active	Employed Part Time	11281	12.9%	467618	13.2%
	Employed Full Time	28867	33.1%	1381392	39.1%
	Self Employed	11830	13.5%	356431	10.1%
	Unemployed	1806	2.1%	90803	2.6%
	Full Time Student	1618	1.9%	90022	2.5%
Economically Inactive	Retired	19042	21.8%	547082	15.5%
	Student	2363	2.7%	137947	3.9%
	Looking after home / family	5231	6.0%	215714	6.1%
	Permanently Sick or Disabled	3390	3.9%	159564	4.5%
	Other	1899	2.2%	87885	2.5%
<b>Total</b>		<b>87327</b>	<b>100.0%</b>	<b>3534458</b>	<b>100.0%</b>

Source: Census (2001) Bases: All people aged 16 to 74

#### d. Business Growth

##### *Key Issues*

- The commitment of the area's businesses to innovation is poor.
- Training is not prioritised by the area's businesses.
- The perceived outer limits of the markets in which the area's businesses operate are small and largely unambitious.
- The area is host to few cooperative structures to aid business interaction.
- Business planning is not a priority

Business aspirations in relation to growth and development are poor. Evidence sourced from a recent survey of the area's businesses<sup>33</sup> indicates that just under half (47.5%) of these businesses are either not interested in growing or simply anticipate an organic rate of growth that, in itself, belies subtle levels of ambivalence. Other issues of particular concern raised by the survey are in relation to drivers of business growth such as innovation, training, market knowledge, 'cooperation, networking and collaboration' and business planning.

##### *Innovation*

According to the same survey, the commitment of the area's businesses to innovation is poor. For example, the majority of businesses (55%) in the area have not developed or wanted to develop new products/services in the last three years (2003-2006). The key barriers to this process encountered by those that have developed or wanted to develop new products and services (45%) are 'restricted business capacity' and the 'availability of finance'. The most common difficulty encountered when delivering new products and services (highlighted by just under a fifth of respondents) was promoting the product to market/buyers. The most commonly proposed solution to this problem (other than the supply of additional finance) was the need to provide businesses with additional sales and marketing support (suggested by just under a quarter of respondents – 23.7%) followed by subsidised specialist training (16.8%) and specialist business support (8.4%).

##### *Training*

Results of the survey also indicated that training as a pre-requisite to business growth is not prioritised by the area's businesses. There is reluctance to formally identify training needs with just 20% of businesses identifying training needs formally while two thirds (66%) either do so informally or through no specific method.

##### *Market Knowledge*

The survey revealed that the perceived outer limits of the markets in which the area's businesses operate are small and largely unambitious. Businesses within the area most commonly felt their market to be restricted to the county of Devon (54%) – more so than other businesses across other rural areas of the county, 51% of which felt the same. Just over seventeen percent of businesses within the BHED area felt that their market was regional and 21% national.

##### *Cooperation, Networking and Collaboration*

The survey gave some interesting insights into the level at which businesses currently network and the issues that might hinder this activity from developing. Less than a quarter of businesses (24%) were found to attend networking meetings regularly while over a third (36%) felt that there were not enough cooperative structures in place to promote collaboration, cooperation and networking.

<sup>33</sup> Devon Renaissance Business Survey (2006/7)

## Business Planning

Just under 40% of businesses participating in the survey from the BHED area were not planning to write a formal business plan.

### e. Earnings

#### Key Issues

- Incomes and earnings within the area are below national averages
- The area suffers from one of the highest gaps between average earnings and average house prices making home ownership unaffordable
- There are high levels of second home ownership

It is notable that incomes throughout the proposed LAG area are significantly below the regional average (Table 5) and the English Median (for all employment categories and Districts – Table 6), particularly in the towns and villages, giving rise to a low-wage economy. This is due in part to agriculture and tourism dominating the workforce but also high levels of self-employment, hidden unemployment and part-time working found in pockets within the area (in particular Honiton). Cost of living, however, is much higher in rural areas due to a number of factors such as high car dependence and a lack of both provision and competition in essential services. Income details are shown below:

Table 5: Average Household Incomes

£ per annum	East Devon/Blackdown Hills	South West
Rural Hamlet and Dispersed	33295	33780
Rural Town	27680	30010
Rural Village	30410	32630
Urban	27585	30940

Source: CACI Household Income Paycheck Data 2006

Table 6: Median Earnings in BHED Area as a % of English Median Earnings

Employment Category	England	East Devon		South Somerset		Taunton Deane		Mid Devon	
	Median	Median	% of English Median	Median	% of English Median	Median	% of English Median	Median	% of English Median
Male Full Time Workers	£26,740	£21,035	78.7%	£22,971	85.9%	£25,951	97.0%	£19,053	71.3%
Female Full Time Workers	£20,670	£16,234	78.5%	£16,484	79.7%	£19,949	96.5%	#	#
Female Part Time Workers	£7,925	#	#	£7,778	98.1%	£7,363	92.9%	#	#
Male	£25,331	£20,792	82.1%	£21,916	86.5%	£24,387	96.3%	£18,947	74.8%
Female	£15,073	£11,065	73.4%	£12,615	83.7%	£14,823	98.3%	#	#
Full Time Workers	£24,402	£19,705	80.8%	£21,533	88.2%	£22,784	93.4%	£18,961	77.7%
Part Time Workers	£7,954	#	#	£7,466	93.9%	£7,617	95.8%	#	#
<b>Total</b>	<b>£20,263</b>	<b>£16,819</b>	<b>83.0%</b>	<b>£19,126</b>	<b>94.4%</b>	<b>£18,713</b>	<b>92.4%</b>	<b>£16,837</b>	<b>83.1%</b>

Source: Annual Survey of Hours and Earnings 2007; Census 2001 # Data unavailable

In addition the area suffers from one of the highest gaps between average earnings and average house prices making home ownership unaffordable to many, an issue that is further compounded by high levels of second home ownership.

## f. Skills and Educational Attainment

### Key Issues

- The area has a low skills economy dominated by small businesses that, as already noted, are unlikely to invest in training staff.
- higher level skills within the area are much more common amongst the older population with those aged 16 to 34 being considerably less likely to possess such qualifications.
- the skills that are most required by businesses are trade/professional skills and skills relating to marketing and business planning.
- There are skills shortages within the area's labour market in relation to trade and professional skills.

Although the area is on a par with national averages in relation to educational attainment and skills levels, particular issues still prevail. Overall, the area has a low skills economy dominated by small businesses that, as already noted, are unlikely to invest in training staff. Data sourced from the Indices of Multiple Deprivation highlight areas of particular need. The Index of Multiple Deprivation uses an indexing system to rank each Lower Super Output Area (LSOA)<sup>34</sup> within the country in order to indicate, comparatively, the level of deprivation experienced by LSOAs within a given area. Locations of particular need within the BHED area include the towns of Chard and Wellington as indicated by the number of LSOAs within these towns included in the bottom 20% of areas within the country indicating deprivation in relation to skills – Table 8 - and education and training – Table 9. Honiton and the District of Taunton Deane are also of concern where particular skills needs result from high levels of part-time and seasonal employment in low skilled jobs. Within Chard, for example, 34% of the population have no qualifications compared to a county average of 28% whilst only 10% are educated to degree level or the equivalent. The town also has poor levels of participation in Further Education<sup>35</sup>. Within these areas issues relating to educational inequalities both in relation to education/training and achievement create disequilibrium between indigenous and non-indigenous residents (those originating from outside the area arriving with high levels of qualifications).

Patterns also occur in relation to the age profile of residents. Information from the Market Measures Profiling Summary indicates that higher level skills within the area are much more common amongst the older population with those aged 16 to 34 being considerably less likely to possess such qualifications.

**Table 7: Indices of Multiple Deprivation (Skills Domain)  
Wards ranked in English bottom 20%**

LSOA Ward name	District	% of IMD ranking
Chard Holyrood	South Somerset	19.37%
Chard Holyrood	South Somerset	19.16%
Chard Crimchard	South Somerset	19.01%
Wellington East	Taunton Deane	13.63%
Chard Jocelyn	South Somerset	9.44%
Chard Avishayes	South Somerset	5.84%
Wellington North	Taunton Deane	5.68%

Source: Indices of Multiple Deprivation 2007

**Table 8: Indices of Multiple Deprivation (Education & Training Domain) - Wards ranked in English bottom 20%**

LSOA Ward name	District	% of IMD ranking
Chard Holyrood	South Somerset	19.37%
Wellington East	Taunton Deane	17.75%
Chard Jocelyn	South Somerset	9.76%
Wellington North	Taunton Deane	8.68%
Chard Avishayes	South Somerset	7.29%

Across the area there are also particular skills gaps and shortages. In relation to skills gaps (those skills deficiencies that exist within business organisations), according to businesses participating in the Devon Renaissance Business Survey that operate within the BHED area, the skills that are most required by businesses are trade/professional skills (highlighted as a 'definite' need by over 40% of respondents) followed closely by IT skills (highlighted by 39%). Approximately a quarter of businesses also required up-skilling in marketing and business planning (28.1% and 23.4% respectively) while other sources indicate further gaps in relation to management skills, communication skills and customer-handling<sup>36</sup>.

When asked about skills shortages within the wider labour market the most common skills deficit causing recruitment problems related to trade/professional skills (sited by just under 30% of respondents). Over 50% of those businesses identifying skills shortages said that these shortages hindered the growth and competitiveness of their business, an issue that may have fuelled the low growth aspirations of the area's businesses already mentioned.

<sup>34</sup> Super Output Areas are a unit of geography used in the UK for statistical analysis. They are developed and released by Neighbourhood Statistics and come in three different forms – lower, middle and upper. Lower Super Output Areas (LSOAs) have a minimum population of 1000 and a mean population of 1500. LSOAs are built from groups of Output Areas and there are 34,378 LSOAs in England and Wales.

<sup>35</sup> Somerset Market Towns Employment (2008). Accessed at [www.markettownsemployment.org.uk](http://www.markettownsemployment.org.uk)

<sup>36</sup> South Somerset District Council (2007). An Introduction to South Somerset.

## B4.2 Environmental Economy

### KEY ISSUES SUMMARY – ENVIRONMENTAL ECONOMY

The BHED area possess an outstandingly rich and varied environment, marked out by its remarkably complex geology, land form and associated biodiversity within a relatively small area.

This special environment offers a unique brand identity for businesses to harness, to attract new visitors, offer new attractions and add value to a wide range of products and services. Though very conscious of the quality of their surroundings, businesses have only limited means open to them to exploit this marketing asset.

The natural environment is also a source of sustainable material resources which underpin farming, forestry and other land-based industries. These resources are currently under-used, for example in relation to woodlands, and the potential for developing value-added food, fibre and wood-based products remains to be exploited.

The key issue for the area is therefore how to turn the unique opportunity which this particular landscape offers, into continuing economic growth which can feed off the environment while also replenishing and sustaining its particular qualities.

The BHED area encompasses 638 km<sup>2</sup> of nationally designated landscape. The environmental economy of the area stands to benefit from an unsurpassed range of opportunities, but at the same time is held back by needs which temper its ability to make use of its assets.

### a. Environmental assets

This is an area of outstandingly rich and varied environments, with many unique qualities. One eighth of the land surface of the Area is of high value for biodiversity: SSSIs and National Nature Reserves cover 2753 ha of the Area, or 4.3% of the land surface. The status of management on SSSIs under the DEFRA PSA target is approximately 86% in East Devon AONB and 79% in the Blackdown Hills AONB. (Source: EN 2003).

60% of the SSSI area is also Special Areas of Conservation (SAC) under the EU Habitats Directive, and 41% is Special Protection Area (SPA) under the Birds Directive. The 1118ha of SPA includes the large expanse of heathland habitats known as the Pebblebed Heaths – one of the regions largest lowland heathland complexes. (Sources: EDAONB Management Plan and BHAONB). Non-statutory County Wildlife Sites cover 4714 ha of the Area, or 7.4% of the land surface. (Sources: Devon and Somerset Wildlife Trusts 2008)

**Table 9: Nationally designated wildlife sites within the BHEDt area (ha)**

	SSSI	SAC	SPA	NNR	CWS (No)	CWS (Area)
Total BHED area	2450	1664	1118	303	489	4714

Sources: CWS- County Wildlife Site, DETR 97-98, EDAONB Management Plan, BHAONB

The total area of these high value sites is 7467 ha, or 12% of the land surface. In addition to sheer extent, no other part of the South West region combines a coastline, pastoral and wooded landscape in such **close-set variety**, made possible by a complex geology and land form.

Within this rich natural environment is a built heritage of immense wealth and vernacular charm. The knapped flint cottages of the southern Blackdown Hills, the thatched cottages of East Devon and the vernacular farm buildings of the northern Blackdown Hills all contribute to the unique charm of the area, and underpin its appeal to visitors. Meanwhile the estates, manor houses and monuments of the area, with their strong associations with historical figures such as Sir Walter Raleigh, the Duke of Monmouth and the Duke of Wellington, add greatly to its appeal. The area includes 29 miles of England's first Natural World Heritage Site, commonly known as the "Jurassic Coast", it is recognised as being one of the most complete records of over 185million years of earth history in the world.

Woodlands are a major part of the BHED area, environmentally, socially and economically. Woodlands cover 16% of the land surface of the area, with East Devon AONB being the second most wooded AONB in Devon. However it is clear from surveys conducted in support of this bid that woodlands are an underused resource in the area, and that the woodland sector needs help to work more collaboratively. In environmental terms woodlands represent a reservoir of biodiversity, a defining component of the landscape, a carbon sink, an aid to flood alleviation, and a key component of the historic landscape. In economic and social terms woodlands represent a source of raw materials, a place for recreation and learning, and a key component of the Blackdown Hills and East Devon 'brand' image.

The total area of woodland in the BHED area is 10,272 ha. Approximately 7200 ha is registered as being in receipt of grant aid under the Woodland Grant Scheme\*. If it is assumed that grant aided woodland equates to area of woodland under active management, it can be said that some 70% of the area's woodland resource is actively managed, leaving 30% unmanaged. However grant aid is skewed towards larger woodlands, and a similar analysis by number of woodlands rather than overall area would show that a majority of woodlands, most of them small, are not being managed productively. Evidence from the surveys of woodland owners carried out for this bid supports the conclusion that there is a substantial underused woodland resource in the area, associated with smaller woodland owners. Those owners are making it clear that they need the means to work together, if the potential of their woodlands is to be realised.

The natural environment is tangible and close to the working environment of all businesses in the area. Every business and community in the BHED area is within 2 km of a site with high value. This proximity can provide venues for tourism activities, sources of raw materials, or a backdrop to use in painting a unique picture of a business and its services. Good public access to the landscape, and a large local market for countryside recreation. The area has a complex network of public rights of way, crowned by several high-profile long-distance promoted trails: the South West Coast Path, the East Devon Way, and the Neroche Herepath Trail. The East Devon coast provides a major recreational resource from its beaches to dramatic cliff top walks, and the 2000ha of public forest in the area offer a range of woodland recreational opportunities.

## b. Environmental Opportunity

### Uptake of available grants

Both AONBs have been targeted for prioritisation under national agri-environment schemes, with the Blackdown Hills targeted under the former Environmentally Sensitive Area (ESA) scheme and East Devon under Countryside Stewardship. The southern part of the area is under the Catchment Sensitive Farming Initiative in the rivers Otter and Axe.

However uptake of agri-environmental schemes has been lower than the regional average. Recent SDF and Leader-funded work to facilitate further entry of holdings into Environmental Stewardship has provided a valuable contribution to addressing this shortfall, and offers a foundation for necessary continuing assistance in this area.

**Table 10: Environmental Stewardship**

	Countryside Stewardship	Environmentally Sensitive Area	Environmental Stewardship	Total
England	23%	4.3%	43.4%	70.7%
South-west	21.8%	13.1%	37.2%	72.1%
Devon	17.8%	17.7%	36.2%	71.7%
East Devon AONB	22.6%	N/A	30.7%	53.3%
Blackdown Hills AONB	*	25.6%	15.1%	40.7%

Source: Natural England, 2007. Total eligible land area for the Blackdown Hills AONB is 31,534 ha - The national target for the new Entry Level Stewardship (ELS) uptake is 60% of farmland in England by the end of 2007.

### An under-used resource

Recent surveys of woodland owners carried out for this LDS (quoted above) have shown that 40% of woodland owners in the Blackdown Hills do not manage their woods, while in East Devon 40% of small private woodlands were found to be unmanaged. The main barriers these owners mention to exploiting their woods are time constraints, lack of expertise and absence of ready markets for their wood; 65% of Blackdown Hills respondents are in receipt of grant aid through the Forestry Commission, with 45% expressing interest in new or further FC grant aid.

### Linking tourism on the coast and inland

Coastal visitor traffic approaches the East Devon coastal resorts by passing through at least part of the inland area of East Devon and the Blackdown Hills, but opportunities to stop off on the way are not promoted adequately, and not enough encouragement is given to visitors to strike inland from the coast during their stays. The contrasting holiday experiences of combining days at the beach with forest walks, bike rides, horse riding, farm visits and other facilities are readily there to be developed.

### Confidence to diversify using the environment

In line with national trends, the land based sector in the area is undergoing change and adaptation, strongly influenced by the on-going reforms in farm support from Pillar 1 of the Common Agricultural Policy, bio-security impacts and dynamic world food markets. Traditional farm businesses need help to diversify and adjust to new market opportunities for environmentally-linked products.

## Working together

There is limited collaborative working between land based businesses to maximise returns from the environmental economy. In the woodland sector, only 35% of Blackdown Hills woodland owners and wood product users are members of local or national woodland associations. In East Devon 77% expressed clear interest in being involved in a local woodlands network, and there is substantial interest in collaborative working through sharing equipment such as haulage, chippers or mobile sawmills. It is clear from the evidence above that the Blackdown Hills and East Devon area needs to view the environment both as a physical source of raw materials and value-added products, and as a brand to aid in marketing the area and all its business sectors. We need to sustain our rich environment by making it more relevant to business, building confidence amongst the land-based sector to diversify into alternative crops and products, developing the use of local woodlands for timber, renewables and crafts, and increasing the use of the landscape as a venue for recreational activities.

Secondly we need to turn the local environment to the economic advantage of all businesses, by enabling businesses to market themselves with reference to their surroundings, and by building a more coherent tourism offer linking the coast and inland. For the tourism sector, these approaches come together, as tourism businesses can both use the environment as a marketing tool, and also use that environment as a venue for the delivery of their product.

## B4.3 Provision of and Access to Services

### KEY ISSUES SUMMARY – PROVISION OF AND ACCESS TO SERVICES

The rural and dispersed nature of the area gives rise to a general lack of what can be called 'local connectivity'. Specific issues relate to the poor transport network with restricted access to key market towns, and a high occurrence of instances of limiting long-term illness which adds weight to the need to improve access to essential services. Associated needs from these issues include:

- Poor local transport connections, especially between market towns and the very rural hinterland
- Aging population, putting pressure on health services
- Declining rural services – impending Post Office Closures and associated Village Shops
- Opportunities to build on MCTi and Parish Plan work on needed local resources

Within the BHED area 64% of people live in rural areas, compared with 24% in the region, with 7% living in sparse rural areas<sup>37</sup>. Access to services is a key issue for the area and is exaggerated by high levels of population dispersal.

Table 11: Indices of Multiple Deprivation (Housing & Access to Services Domain) - Wards ranked in English bottom 20%

LSOA Ward name*	District	% of IMD ranking
Honiton St Michael's	East Devon	20.00%
Newbridges	East Devon	18.27%
Upper Culm	Mid Devon	17.66%
Tatworth and Forton	South Somerset	17.22%
Honiton St Michael's	East Devon	16.23%
Beer and Branscombe	East Devon	12.86%
Upper Culm	Mid Devon	12.23%
Sidmouth Rural	East Devon	11.70%
Newbridges	East Devon	11.65%
Wellington North	Taunton Deane	11.58%
Blackdown	South Somerset	10.46%
Yarty	East Devon	9.13%
Woodbury and Lympstone	East Devon	7.20%
Monument	Taunton Deane	6.48%

LSOA Ward name*	District	% of IMD ranking
Feniton and Buckerell	East Devon	6.09%
Trinity	East Devon	5.70%
Tale Vale	East Devon	4.70%
Axminster Rural	East Devon	4.50%
Ottery St Mary Rural	East Devon	4.07%
Raleigh	East Devon	3.48%
Tale Vale	East Devon	2.61%
Neroche	Taunton Deane	2.08%
Blackdown	Taunton Deane	1.58%
Dunkeswell	East Devon	0.97%
Ottery St Mary Rural	East Devon	0.90%
Coly Valley	East Devon	0.81%
Yarty	East Devon	0.56%
Otterhead	East Devon	0.10%

Source: Indices of Multiple Deprivation 2007 (\* Ward names are duplicated here as some LSOAs sit within the same ward.)

23% of the area population live in dispersed areas compared to 18% regionally and 16% nationally<sup>38</sup>. The area's dependence upon Exeter-based employment (over 9000 residents from East Devon, work in Exeter)<sup>39</sup> generates a

<sup>37</sup> Census 2001 - Focus on Rural Areas data supplied by DEFRA.

<sup>38</sup> Ibid.

<sup>39</sup> Census 2001 – UK Travel Flows by Local Authority

perceived lower demand for services from within the area as these can be accessed within Exeter during working hours or on travel-to-work routes. This issue masks wider issues in relation to access to services which are then concentrated amongst the resident population who work in the area or have to stay at home. The latest data regarding multiple deprivation indicates that pockets of significant deprivation are common. This is illustrated by the fact that 28 Lower Super Output Areas (LSOAs) fall within the bottom 20% of LSOAs nationally in relation to housing and access to services deprivation (ie. these LSOAs are amongst the 20% most deprived areas in England and Wales – within the table those with higher percentages are less deprived, those with lower percentages are more deprived) (Table 11).

House price/income ratios are leading to a need for affordable housing – within the proposed LAG area house price incomes ratios are some of the highest in Devon. Out of 87 upper tier authority areas in England, Devon was the 7<sup>th</sup> least affordable in August 2007. As a result of this there is a notable migration of skilled and talented younger people out of the area who take up job opportunities elsewhere, which are often better paid and/or in areas where housing is more affordable. Additionally the area also has a high proportion of second or holiday homes. Consequently in the proposed LAG area the demographic is strongly skewed towards older people, leading to less balanced communities and pressures on some essential services.

Much of the BHED area is remote with a poor transport network – particularly public transport. Links between this remote rural area and ‘nearby but serving’ market towns and villages, are essential for economic prosperity, cultural cohesion and the provision of many essential services. This is one of the key reasons for the inclusion of strategic market towns and settlements in this area, as opposed to the predominantly ‘rural only’ nature of the existing Blackdown Hills Leader+ area. Initiatives like the CBO Community Bus and the TRIP scheme in Honiton make a some difference but need building on.

Not only is accessibility an issue in much of the proposed LAG area, but this is combined with greater numbers of residents with a long-term limiting illness (likely to be a result of the area’s aging population). These factors combine to increase the importance of maintaining and improving access to essential services and economic inclusion within this largely rural area. The table below shows the occurrence of people with a limiting long-term illness, many of whom will have access and mobility problems which are compounded by living in a rural area

**Table 12: Occurrence of limiting long-term illnesses (LLTI) (number of people)**

	East Devon / Blackdown Hills			South West			England
	No LLTI	LLTI	% with LLTI	No LLTI	LLTI	% with LLTI	% with LLTI
<b>Urban</b>	33,347	8,528	20.4%	2,651,662	596,977	18.4%	18.2%
<b>Rural</b>	60,048	14,413	19.4%	1,384,738	295,057	17.6%	17.0%

Source: Census (2001)

As we complete this document, several village Post Offices as and their associated shops are under threat. Local community has been mobilised in at least four parishes to look at ways to provide continuing services.

## B4.4 Local Governance

### *KEY ISSUES SUMMARY – LOCAL GOVERNANCE*

Local governance structures feel disconnected from wider activity, but have the potential to be well integrated and should aim to:

- Build stronger links between sub regional and local community planning and development processes.
- Increase links between market towns and their rural hinterlands.
- Extend the success of the current LEADER+ programme and joint AONB working, learning from good practice and building on opportunities arising.
- Utilise community assets to their full potential

The BHED area has potential to be well integrated in relation to local governance, with partnerships already operating between various public, private and voluntary sector groups. These include, for example the two AONB Partnerships with their linkages directly into district and county local authority structures, Environment Agency and Forestry Commission. Members of the BHED Partnership are also involved in agreeing priorities within the district and county councils’ Community Strategies in both Somerset and Devon, translating these into actions with each county’s Local Area Agreement. At local level Partnership members are also active in deciding priorities and setting budgets to achieve actions in both parishes and towns in the BHED area, through locally determined parish plans, town plans and MCTi strategies. As

the area crosses County and District boundaries, there is a strong need for joined up working, which local communities, in the Blackdown Hills feel very acutely.

This integration provides a firm foundation from which to build future activity. However, at an economic level the BHED area is disconnected from strategic, targeted funds that would support the area in meeting its potential. Local businesses surveyed in 2004<sup>40</sup> asked that partners 'redress the lack of funding in East Devon' which businesses perceive is putting them at a strong disadvantage to other food producing zones in the South West.

At a more strategic level there is a need to strengthen integrated rural delivery by building stronger links between sub regional (e.g. LAA, Rural Renaissance and community strategy development processes) and local community planning and development processes (e.g. MCTi and AONB plans). Weak links also exist between market towns and their rural hinterlands.

There is a desire to extend the success of the current LEADER+ programme and joint AONB working, learning from good practice and building on opportunities arising.

More locally, community assets within the area are not always utilised to their full potential. Through the overall strategic guidance of the LAG, and the partnership of organisations that own the assets - such as Devon County Council (DCC) and other organisations in the Devon Economic and Strategic Partnerships - using a bottom-up approach communities have the potential to play an active part in the development and application of services appropriate to their needs. As part of the national Quirk review DCC and partnership organisations are involved in a pilot scheme, where there is the direct transfer of some assets to the community to help achieve the localisation of services. The LAG could play a significant role in the identification of assets which could play a key role in improving services and appropriate economic growth in the area.

## B5 Assessment of Priorities of Need

The statistical evidence base shows that the BHED area is characterised by a wide variety of needs, some of which, although aligned with core RDPE activity, could not be realistically addressed through this strategy. The Bid partnership and consultees at events were also very aware of the desire to capitalise on the existing Blackdown Hills LEADER+ work and to build foundations in the new parts of the area.

The process of developing priorities from the evidence base was iterative and inclusive. Early on we developed a long list of priorities, growing from local evidence, which was honed down by the Bid Partnership Group before consultation events were held in April. Two events, one daytime and one evening, and in different locations across the area, attracted 59 consultees plus members of the Bid Partnership. A wide range of people attended, including residents, farmers, local tourism providers, social enterprises, other businesses, local councillors and agency staff from key partners. Three broad priorities were agreed, which have been adapted through further consultation with those people unable to make the events. During this process we also asked people for Project Ideas, partly so that we could use this as base to check our overall direction. We had more than 80 projects, all of which have informed the process and now fall into one of the 'activity themes' developed later. There was wholehearted agreement for the overall direction and the three key Objectives which are developed in the next section. Assessment of need has also been informed by the Blackdown Hills LEADER+ evaluation, which asked people about future directions and which formed a base for the consultation work.

Four priorities, which capture the key needs of the area and can be realistically addressed, are given here as the first step:

### Low Business Aspirations

Businesses in the area have low aspirations for growth and development. Relative to regional and national figures the area is home to comparatively few new businesses indicating a **lack of entrepreneurship** and business vision. Recent research amongst existing businesses in the area paints a similar picture of low business aspiration as displayed by a poor commitment to business planning, low levels of innovation, low investment in training and poor market knowledge.

### High reliance on certain sectors and employment sources

Businesses within the area are also over-reliant on certain sectors. Employment figures for the area show dependence on the tourism, food and drink and manufacturing sectors. The stronger presence of businesses related to tourism and food and drink (particularly hotels and restaurants) is understandable given the presence of coastal towns such as Sidmouth and Seaton and the area's vast wealth of coastal and inland environmental resources and is something that this strategy should encourage. The area's reliance on the manufacturing sector, however, is of concern given the declining nature of this industry nationally and locally. The closure of nearby or local manufacturing firms such as Augusta Westland could place large sections of the economy at risk.

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<sup>40</sup> HOOP Associates 2004 for East Devon Foodlinks,

### **Under use of existing environmental resources**

It is clear from the long list of environmental designations that apply to the area that this bid must sustainably develop and maximise the economic potential of the area's existing environmental resources. There is significant potential here to improve local supply chains through linking, for example, current coastal food and drink businesses with local inland food producers. In addition initiatives to promote diversification within coastal and land-based businesses have the potential to maximise the commercial value of industrial by-products and un-used environmental resources. Issues have also been highlighted in relation to the mismatch between the supply of meat products and current levels of demand. Further market analysis to address this problem by matching current over-supply with demand either within or outside the area could maximise the potential of this resource.

### **A lack of 'connection'**

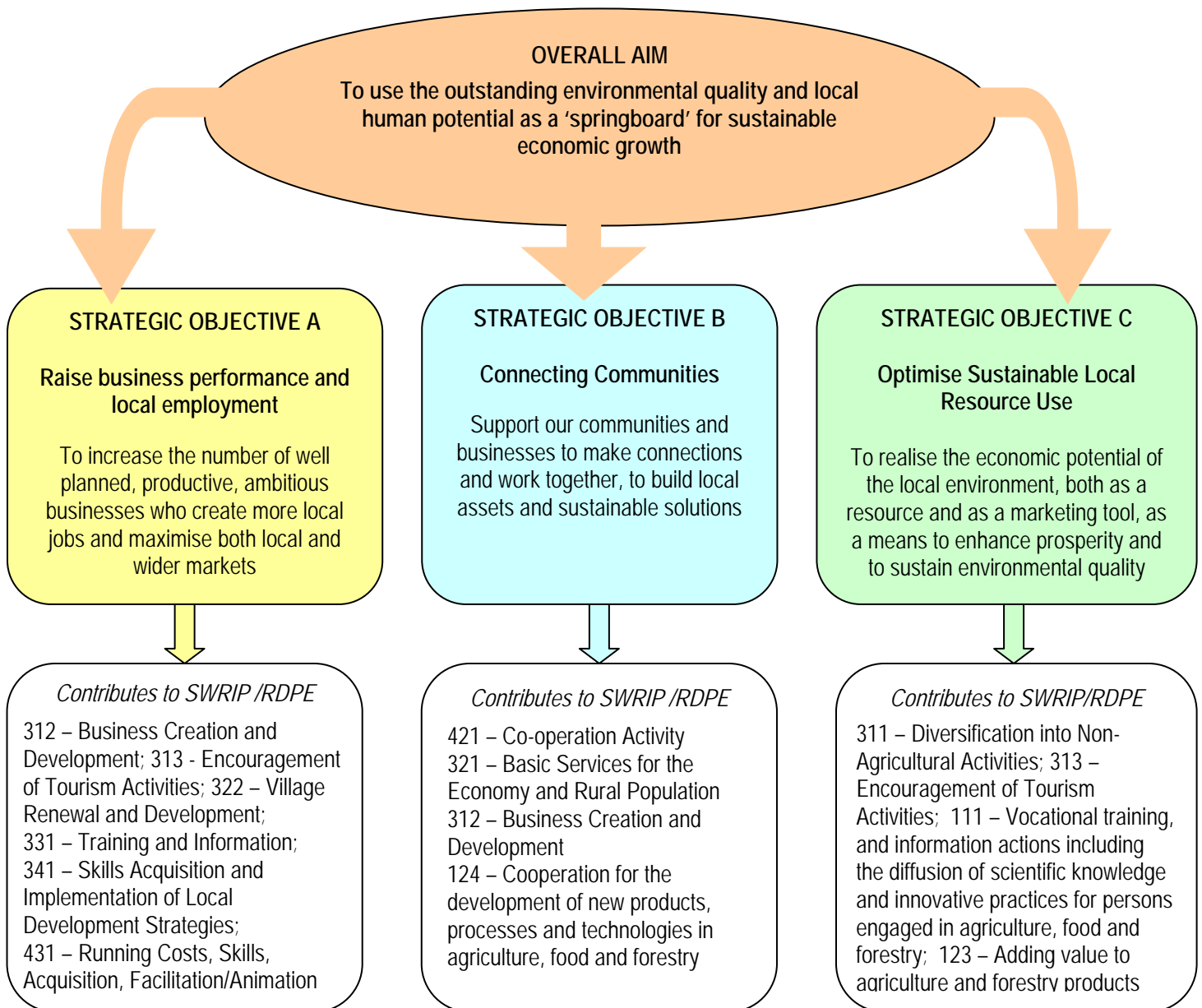
Businesses find it hard or are reluctant to participate in cooperation and networking activity. A recent survey highlighted the need to develop local platforms that might facilitate this activity. The area also suffers from poor broadband usage in some areas, limiting levels of e-commerce and general business activity. This overall lack of inter-connection, joint working and integration is likely to have influenced the poor market knowledge of local businesses that are unaware of competitors and potential markets that may exist both within the BHED area and further afield.

## C. AIMS AND OBJECTIVES

The BHED Bid Partnership and consultees have been very clear about the direction of the strategy, which will both build on early work and create new outcomes across the area. Following the wide consultations and process described earlier, here we outline the aim and objectives of the BHED Strategy. There are two strong underlying themes which have emerged and which flow through the strategy:

- The importance of using the **rich local environment as a 'springboard' to new and improved local economic activity**, including the development of social enterprise and community initiatives
- The need to strengthen **local connections and existing business and community networks** as a base for collaboration and profitable exchange of ideas

The development work has led the Partnership to create a simply structured focus for the BHED Strategy, with **one overarching aim and three strategic priorities**:



## C1 Strategic Objectives and Activities

### Objective A: Raise Business performance and Local Employment

The aim is to enhance the opportunities of businesses (including sole traders, social enterprises and 'community owned' businesses) within the area by raising aspirations and creating an inspirational 'pull' effect. This will be done through a mixture of capital and revenue investment, local coaching and mentoring services and support for strategic projects that can inspire others. Support topics of particular interest will include, amongst others, business planning, innovation, staff and volunteer training and in particular, market knowledge. It is intended that activities will complement the existing Information, Diagnostic and Brokerage (IDB) model remit of Business Link as well as aligning to the forthcoming 18 priorities emerging from the ongoing business support simplification process. These activities will therefore seek to add value and fill gaps as and where appropriate. The role of key partners (such as The Blackdown Hills Business Association and Business Information Point) will support this objective. Businesses from all sectors will be eligible but where appropriate support will be prioritised for sectors of particular need in the area (land-based, tourism, food and drink and manufacturing) as well as SWRDA priority sectors.

#### PROPOSED ACTIVITIES

**Activity Theme 1:** Support for local mechanisms to enable Skills Development, Enterprise development and Leadership

**Activity Theme 2:** Increasing Access to Markets for local products and services

**Activity Theme 3:** Support for exemplar 'sustainability projects' which build knowledge and aspiration

### Objective B: Connecting Communities

With this objective we aim to enhance the opportunities available to businesses, communities and local people by increasing the 'connectedness' within and across the area. This has special focus on key services, local supply chains and local markets as well as wider networking, cooperation and collaboration. 'Communities' here refer to all the ways that people come together, including living, working and socialising. By helping to create productive networks and increased use of ICT, we intend to generate more vibrant rural communities who are well connected with each other and the rest of the region. This objective will be open to businesses, organisations and collaborative groups from all sectors that display the potential to diversify and increase their interaction with local markets.

#### PROPOSED ACTIVITIES

**Activity Theme 1:** Support and Promote Existing and New Co-operative Networks and Networking Methods

**Activity Theme 2:** Support for Communities to develop sustainable local and strategic solutions to access issues

**Activity Theme 3:** Co-operation for the Development of New Renewable Technologies

### Objective C: Optimise Sustainable Local Resource Use

The aim is to maximise the potential of the area's considerable environmental resources, which will increase the productivity of local businesses and the intrinsic economic stability of the area. This priority has at its core the importance of increasing and promoting connections between the area's tourism-strong coastline and its resource-rich inland areas, and developing year round tourism, recreation and cultural activities. It aims to help people understand and use the economic value of the landscape as a 'product', build sense of place and restore some of the 'lost' value of farming. Sustainability, with focus on conserving and enhancing the landscape is a key part of this objective.

It is intended that this strong environmental emphasis will act as a driver to Objectives 1 and 2, acting as a foundation to increased and more productive business activity that strengthens the local economy.

#### PROPOSED ACTIVITIES

**Activity Theme 1:** Increase sustainable tourism, recreation and access

**Activity Theme 2:** Encouraging new and sustainable uses of existing natural resources as a driver to economic growth

**Activity Theme 3:** Harnessing the value of the local environment as a 'product', particularly through the arts, culture and heritage

## D. STRATEGIC FIT

The Local Development Strategy for the BHED area is firmly rooted in the strategies, plans and programmes currently operating within the area. During the formation of the Strategy a thorough review of relevant documents (where available) was undertaken which both informed and confirmed the focus of the Strategy: these are outlined in table 13.

Table 13: Strategies, Plans and Programmes Consulted

Level	Strategy / Plan / Programme								
National	Rural Development Programme for England 2007-2013								
Regional	South West Regional Implementation Plan 2007-2013, Regional Economic Strategy Regional Spatial Strategy, South West Regional Woodland and Forestry Framework Implementation Plan, South West CORE Sustainable Farming and Food Action Plan South West Nature Map								
County	Devon Economic Strategy, Devon Sustainable Community Strategy, Devon Local Area Agreement, Somerset Strategic Partnership Community Strategy Somerset Local Area Agreement, Dorset and East Devon World Heritage Management Plan								
District / Local	Blackdown Hills AONB Management Plan, East Devon AONB Management Plan Taunton Deane Sustainable Community Strategy 2007-2017								
Market and Coastal Towns Community Plans	Axminster, Chard, Wellington, Honiton								
Parish Plans	<table border="0"> <tr> <td>East Devon</td> <td>All Saints, Awliscombe, Aylesbeare, Beer, Budleigh Salterton, Dunkeswell, Feniton, Honiton, Membury, Otterton, Ottery St Mary, Seaton, Talaton, Tipton St John, Uplyme, Upottery, Widworthy, Woodbury, Yarcombe &amp; Marsh</td> </tr> <tr> <td>Mid Devon</td> <td>Hemyock, Uffculme</td> </tr> <tr> <td>South Somerset</td> <td>Donyatt, Tatworth and Forton</td> </tr> <tr> <td>Taunton Deane</td> <td>Arundel, Pitminster, Sampford</td> </tr> </table>	East Devon	All Saints, Awliscombe, Aylesbeare, Beer, Budleigh Salterton, Dunkeswell, Feniton, Honiton, Membury, Otterton, Ottery St Mary, Seaton, Talaton, Tipton St John, Uplyme, Upottery, Widworthy, Woodbury, Yarcombe & Marsh	Mid Devon	Hemyock, Uffculme	South Somerset	Donyatt, Tatworth and Forton	Taunton Deane	Arundel, Pitminster, Sampford
East Devon	All Saints, Awliscombe, Aylesbeare, Beer, Budleigh Salterton, Dunkeswell, Feniton, Honiton, Membury, Otterton, Ottery St Mary, Seaton, Talaton, Tipton St John, Uplyme, Upottery, Widworthy, Woodbury, Yarcombe & Marsh								
Mid Devon	Hemyock, Uffculme								
South Somerset	Donyatt, Tatworth and Forton								
Taunton Deane	Arundel, Pitminster, Sampford								

### Integration across Programme Axes

At a **national** level, the objectives of this LDS sit at the heart of the Rural Development Programme for England. A fundamental element of the RDPE is to build and *develop opportunity* within rural areas and, based on evidence of need within the BHED area, this is the fundamental tenet of this LDS. More specifically, this LDS contributes directly to the strategic priorities of the programme under Axis 3, as outlined in Table 14:

Table 14: LDS Synergy with Strategic RDPE Priorities

Strategic RDPE Priorities	BHED Synergy
Supporting innovative rurally based business development and enterprise, including diversification out of agriculture and encouraging sustainable tourism.	This strategy is well aligned with this priority through its emphasis on bespoke business support which specifically includes innovation (Objective A, theme 1), diversification (Objective C, themes 1, 2 and 3) and sustainable tourism (Objective C, theme 1).
Improving skills in the rural workforce through providing learning opportunities that are not offered by other programmes and mainstream services and facilitating access to mainstream learning and development opportunities.	Evidence suggests that the skills issues within the area are particularly related to skills gaps and shortages within the labour force. The strategy therefore aims, through the bespoke business coaching and mentoring, to promote professional training and thereby improve skills within the rural workforce. In this instance training would largely be delivered by businesses themselves, or local providers, and would therefore be distinct from that provided by other programmes and mainstream services.
Promoting public access to, and understanding of, the countryside and enhancing rural heritage, including the traditional farmed landscape.	Theme 3 within Objective C of this strategy promotes understanding of the countryside and enhancing rural heritage. In particular this theme encourages the development of sustainable tourism activities which rely on the understanding, promotion and enhancement of the countryside. This theme also looks to develop the recreational use of the landscape and increase public access.

At a **regional** level this LDS is aligned with the core objectives for Local Action Groups as outline in the South West Regional Implementation Plan (SWRIP). These are:

**Table 15: LDS Synergy with SWRIP Priorities for Community Led Development**

SWRIP Priorities for Community Led Development	BHED Synergy
Improving economic performance within lagging areas	The LDS Objective A – Raise Business Performance and Local Employment will contribute to this investment theme. In particular the LDS focuses on providing bespoke business assistance that contributes to raising the overall economic performance of the area. Support provided will be aligned to the 19 business support products currently in development as part of the Business Support Simplification Programme and will be distinct from the Business Link Information, Diagnostic and Brokerage model.
Improving access to services as a means of tackling disadvantage	The LDS Objective B – Connecting Communities is well aligned to this investment theme. In particular activity theme 2 (support for communities to develop sustainable local and strategic solutions to access issues) is related to developing innovative solutions to service access issues relating to transport, general services, learning, recreation and general information.
Harnessing wider economic value from sustainable environmental quality	The LDS Objective C – Optimise Sustainable Local Resource Use aims to harness wider economic value through sustainable tourism, the sustainable use of existing natural resources and harnessing the value of the local environment as a 'brand'.

This LDS aligns well with SWRIP priorities for the South West, as detailed in Table 16

**Table 16: LDS Synergy with SWRIP Regional Priorities**

SWRIP Regional Priorities	BHED Synergy
Improving business efficiency and enabling business transformation	One of the aims of LDS Objective A is to raise business performance. This will include improving business efficiency through assisting established businesses stuck at low levels of productivity to develop entrepreneurial skills and to be innovative in developing more efficient processes. More specifically activity theme 3 within Objective B is designed to support cooperation for the development of new renewable technologies to which will, in the long term, promote business efficiency. In addition agricultural businesses will be targeted within theme 1 of Objective C in relation to increasing profitability. These activities will be supported by the early commissioning of a project to provide developmental support and technical expertise.
Developing the supply chain and adding value	The existing LEADER+ programme has successfully developed local supply chains within the area. This LDS is designed to develop this work through funding allocated under each of the Objectives. The programme will add value in relation to its bespoke local business support offer and its knowledge of local needs as accrued through the existing LEADER+ programme. In terms of supply chain development, the emphasis within Theme 2 (increasing access to markets for local products and services) of Objective A includes the use and development of local supply chains within its drive to encourage business collaboration in order to secure development at a local level.
Managing resources efficiently	The efficient use of resources is at the heart of this LDS, as exemplified through the use of both sustainable development principles and the promotion of renewable technologies. Overall the programme will fund sustainable projects designed to build knowledge and aspiration (Objective A, theme 3), sustainable local and strategic solutions to access issues (Objective B, theme 2) and the sustainable use of existing natural resources (Objective C, theme 2). Within Objective B, the promotion of cooperation to develop new renewable technologies is designed to increase efficient resource management within the area.
Making the most of our rural environment	As mentioned, the BHED area is home to a rural environment of outstanding quality. Making the most of this environment is a core tenet of this LDS and is exemplified in Objective C 'Optimise Sustainable Local Resource Use'. Within this objective the bid aims to increase sustainable tourism, recreation and access to the environment; encourage new and sustainable use of existing natural resources; and harness the value of the local environment as a 'brand'.
Enhancing landscapes and biodiversity	More specifically, enhancing the landscape and the area's biodiversity will be achieved through all themes of activity within Objective C which will inherently enhance the landscape in order to maximise its resource potential. Sustainable development is the basis of this Objective which will ensure that whilst resource potential is maximised, the quality and biodiversity of the landscape is safeguarded and developed.

Developing and maintaining strong and inclusive rural communities	As outlined in the evidence base to this strategy, the strategy contains a heavy emphasis on developing and maintaining strong rural communities. Uniquely, this LDS builds upon high levels of community cohesion and existing strong partnerships as developed through the current LEADER+ programme. Building upon this foundation, the strategy emphasises the economic and 'quality of life' need to further develop and support cooperation within its communities and between businesses. While cooperative working is a theme that runs through all three objectives, particular emphasis is given in Objective B. This objective aims to support and promote existing and new cooperative networks and networking methods, support communities to develop sustainable local and strategic solutions to access issues and encourage cooperation for the development of new renewable technologies.
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## Relationship with regional and sub-regional strategies, plans and programmes

### Regional

This LDS strongly supports a number of regional strategies, plans and programmes. Links exist with the **Regional Economic Strategy**, **Regional Spatial Strategy** and the **SW CORE Sustainable Farming and Food action plan** and the objectives of the proposed programme. Our proposed actions will help to deliver key priorities in these regional strategies and we will continue to build on existing links established by both AONBs with regional initiatives, for example the Co-ordinated Woodfuel Initiative operated through the Centre for Sustainable Energy.

The woodland-related objectives put forward in this LDS strongly support the targets set out in the **South West Regional Woodland and Forestry Framework Implementation Plan (2006-2009)**, in particular:

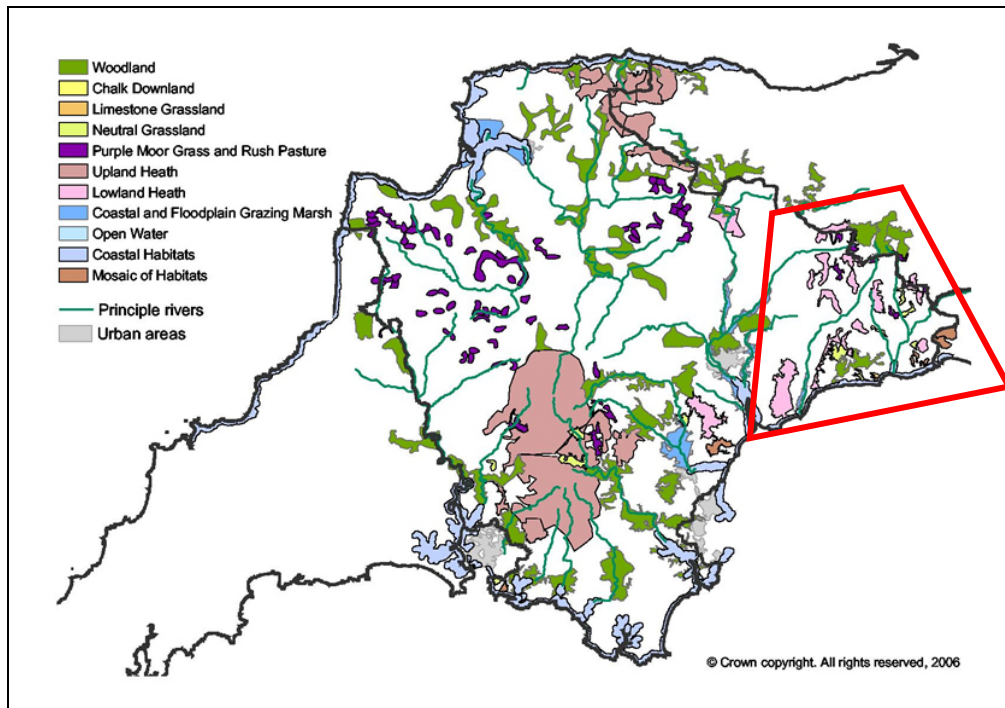
Objective	BHED Synergy
X1 D Contribute to Renewable energy	Objective C 'Optimise Sustainable Local Resource Use' will provide encouragement for the generation of woodfuel for burning as a renewable energy.
X2C Increase the number of woodland owners making informed decisions about their woods	Objective B – Connecting Communities will facilitate the development of networks between woodland owners and other businesses along the wood supply chain, to enable information sharing, training, skill sharing and collaborative working. A key objective of this will be to better equip woodland owners with the confidence, information and incentive to make better, more profitable and more environmentally beneficial use of their woodlands.
X2D Increase the area of woodland in management	
X1E Substitute local wood for high energy materials in construction	As a consequence of activity promoted under Objective B above, the strong interest expressed by the woodland sector (as gauged by surveys for this LDS) in making better use of local timber supplies can be developed, to explore the capacity within local woodland holdings to supply construction-grade timber.
X3G Excellence and innovation in integrated land management	Objective C will provide a platform for the development of a number of high profile projects to demonstrate integrated sustainable land management in forest and marginal land environments. These will build on experience in the Neroche Scheme and through the Leader+ programme.
X3F Closer integration of woods with broader land management	Again under Objective C, experience rolled out from the Neroche Scheme will see a new initiative to develop forest-based grazing as a method of producing a value-added food product exclusive to the Blackdown Hills and East Devon area.
L3C Woods promoted as destinations & Q2A Increase area of locally accessible woodland & N2B Woods used as resource for increasing traditional skills and to inspire for historical/ cultural links	Proposals under Objective C and Objective A will develop new business models for exploiting the potential of woodlands as recreational venues, for riding, walking, family events and other activities.

The activities proposed under Objective C (maximising resource potential) have been assessed against the South West's spatial strategy for environmental enhancement: the **South West Nature Map**, which features in the South West Regional Spatial Strategy.

The Nature Map provides a geographical framework for prioritising efforts to enhance biodiversity through actions at a landscape-scale. It contains a set of Strategic Nature Areas (SNAs) within which wildlife habitat enhancement can most effectively build robust environments able to respond to the pressures from climate change.

Nature Map has already acted as a catalyst for a range of landscape-scale projects across the region, including the Neroche Scheme in the Blackdown Hills and East Devon area. The concentration of SNAs in this LDS area is notably higher than other surrounding areas, and this LDS offers an economically-driven method for further delivering against the priorities Nature Map sets out.

### The BHED area as depicted on the South West Nature Map



The proposal to assist farmers of marginal land to collaborate in raising and marketing high quality beef linked to environmental quality will target SNAs across the area, notably in the healthy, marshy plateaux of the north and west of the Blackdown Hills, and the Pebblebed Heaths of East Devon. Meanwhile the proposal to build capacity within the woodland sector to collaborate in managing local woodlands for local markets will encourage environmentally beneficial management of woodlands in SNAs across the northern flank of the Blackdown Hills and the central western sector of East Devon.

### Sub-Regional

Straddling two counties and covering parts of four districts inevitably means that there are a raft of strategies and programmes covering the area at a sub-regional level with potential linkages and shared objectives. Direct linkages will result through the activities of the LAG with the **County Economic Strategies, Local Area Agreements and Sustainable Community Strategies** which recognise the value of the high quality environment to the rural economy, the need for an “enterprising environment” and “creating sustainable foundations” for the area. It is anticipated that Devon Renaissance and Devon Rural Network will be engaged in the LAG programme in a variety of ways through Rural Renaissance (SERC) activities and the engagement with rural communities. Through involvement with the business sector, the LAG will have linkages with initiatives such as the RE4D Project, Rural Enterprise Devon, Devon Association for Renewable Energy, Tourism Skills Project/Network, and Destination Management Organisations amongst others. In addition, there are Management Plans for each AONB which include objectives and policies relating to the ongoing sustainable well-being of the areas. Highlighted below are examples from some of the relevant strategies to illustrate the typical synergies between them and the LAG objectives.

The emerging **Devon Economic Partnership Strategy** highlights the following Strategic Actions:

F iii) Continue to develop Devon’s environment as an economic driver, - by improving business resource efficiency, reducing waste, energy and water use, managing transport demand, reducing carbon emissions, increasing the economic value of Devon’s natural and built environmental assets, producing new goods and services and helping to create a low carbon economy; and

F iv) Support development of the land based industries both as a contributor to economic growth and for stewardship of the natural environment and heritage.

Both of these are supported by this LDS. A detailed action plan for the strategy highlights an even greater degree of synergy.

A key objective of the **Somerset Economic Strategy** relates to the revitalisation of market towns and rural communities and it has as a cross cutting theme the importance of sustaining and enhancing environmental quality. These are aspirations that are very pertinent to this bid.

One of the key purposes of establishing this LAG will be to work with the **Local Area Agreement** processes through the LAG representatives from both Somerset and Devon to enable the integrated delivery of priorities across the area and building on the LAA priorities for the Counties and in doing so address key **Sustainable Community Strategy** outcomes in both Counties.

The **Somerset Local Area Agreement** is structured within five key themes; children and young people; safer and stronger communities; healthier communities; older people and; economic development and enterprise. This LDS aligns itself largely with the latter theme, 'economic development and enterprise'. Within this theme the LAA a number of specific outcomes align well with this strategy including:

**Table17: LDS Alignment with Somerset Local Area Agreement**

Somerset LAA Outcomes linked to Economic Development and Enterprise Theme	BHED Alignment
<b>Outcome 7</b> Greater workforce skills levels	Theme 1 within Objective A of this LDS seeks to raise the skills levels of local people through combined training workshops in key skills areas with focussed technical support.
<b>Outcome 8</b> Promote growth and productivity of key small business sectors	Objective A seeks to raise business performance and local employment. Within this objective issues relating to productivity will be addressed through support relating to innovation, business planning, access and awareness of markets and support for exemplar sustainability projects that build knowledge and aspiration.
Improve level and accessibility of business support for rural enterprises	Bespoke business support is at the core of this LDS. This support will be designed to complement and not duplicate the Business Link Information, Diagnostic and Brokerage model of Business Link. In addition support offered will be closely aligned to the needs of businesses within the area as detailed in the Devon Renaissance Business Survey. The support offered will therefore improve the applicability of the business support currently on offer and, being offered within the locality, will increase accessibility levels.
<b>Outcome 9</b> Promote development and diversification of rural enterprises	Theme 2 within Objective C of this strategy encourages new and sustainable uses of existing natural resources as a driver to economic growth. Diversification will be essential to this theme as established rural businesses are encouraged to develop products using existing resources.
Promote the sustainable growth of Somerset environmental economy	The theme of sustainable economic growth linked to the environment runs through each of the LDS Objectives. In particular the strategy looks to increase sustainable tourism, recreation and access and; encourage new and sustainable uses of existing natural resources as a driver to economic growth.
Promote sustainable rural communities	The promotion of sustainable rural communities is included within theme 2 of Objective B which provides support for communities to develop sustainable local and strategic solutions to access issues.
Simplify delivery of rural funding streams to businesses and communities	The delivery of this LDS would build upon an existing LEADER+ programme, with which local residents and businesses are familiar. This follow-on process would keep the delivery of rural funding within the area simple and would, within the Objectives of this LDS, ensure that money allocated to businesses and communities was transparent and focused.

The **Devon Local Area Agreement** (2008-11) also has several key priorities that follow from the **Sustainable Community Strategy** which include:

- **A World Class Environment** Devon Sustainable Community Strategy Priority: "Supporting our County's world class natural environment, our built environment and cultural heritage to improve the look and feel of the places where we live."
- **Strong and Inclusive Communities** Devon Sustainable Community Strategy Priority: "Working to ensure strong, prosperous and inclusive communities with a sustainable and vibrant future"
- **A Growing Economy** Devon Sustainable Community Strategy Priority: "Creating the conditions to enable Devon to have a strong and growing economy, and ensuring maximum opportunities are available for everyone to contribute to and benefit from it."

**Table 18: LDS Alignment with Devon Local Area Agreement (draft version referred to)**

Devon LAA Priorities	BHED Alignment
Develop and harness skills to achieve a competitive economy (LAA17).	Theme 1 within Objective A of this LDS seeks to raise the skills levels of local people through combined training workshops in key skills areas with focussed technical support.
Increase the productivity of the land based sector in Devon and improve conditions for farming and food sector businesses (LAA25).	This LDS makes an essential link between increased productivity and the promotion of the environment as an economic driver. This is essentially outlined in Objective C of the strategy 'optimising sustainable local resource use' in which existing environmental resources within the area are maximised, in particular in relation to guiding businesses through the process of re-examining resources, increasing sustainable tourism, recreation and access and harnessing the value of the local environment as a 'product' particularly through the arts, culture and heritage.
Improve access to services and facilities through coordination of transport services and access to information technology, ensuring dignity and respect for all (LAA9).	Objective B addresses the issues of connecting communities to enable them to build local assets and sustainable solutions that will encourage improved access to services and facilities.
Encourage the full adoption and exploitation of information and communication technology (ICT) to improve productivity, social inclusion and environmental performance (LAA18).	Within Objective A of the strategy support in relation to innovation is proposed which may include investment in small capital projects to develop innovation related infrastructure both within and outwith businesses. Objective B also aligns with this priority in respect of cooperation for the development of new products processes and technologies.

## Local

Importantly, this LDS also has strong synergies with **local** plans and strategies, reinforcing the 'bottom up' approach taken to the development of this Strategy. Reference here is made to a number of local documents including AONB Management Plans (for both East Devon and the Blackdown Hills), Community Strategies and Parish Plans.

The **Blackdown Hills AONB Management Plan** includes the aim:

*'To have a thriving local economy with jobs for local people, that makes wise use of local resources, benefits the community and conserves and enhances the landscape and environment.'*

Objectives in support of this aim and that are aligned with this LDS include:

- To support farming and land based businesses in adjusting to economic changes in agriculture through activities that support farm viability, develop local markets, add value to local products and diversify business opportunities without compromising the conservation of the environment or landscape.
- To support the development of appropriate sustainable tourism that benefits the local economy, conserves and enhances the landscape and improves understanding of the Blackdown Hills.
- To work in partnership to ensure that the Blackdown Hills benefit from and contribute to the prosperity of the surrounding market towns.

The **East Devon AONB Management Strategy** includes the following objectives, which are integrated by this LDS:

- To promote sustainable access, recreation and tourism initiatives that are in keeping with the AONB landscape, educate and raise awareness and support the local economy.
- To encourage a sustainable rural economy in the AONB that serves to conserve and enhance the character of the landscape.
- To encourage improved access to services and facilities and the active participation in community and appropriate landscape related enterprise.

## District Community Strategies

All districts within the BHED area have produced Sustainable Community Strategies, by way of example, **Taunton Deane Sustainable Community Strategy 2007-2017** includes the following priority of significant relevance to this LDS: *'To reduce rural isolation and increase rural employment opportunities.'*

Key issues that are aligned with this LDS include:

- Improving transport links
- Broadening business activity, for example through promoting and marketing local foods, and developing tourism related to natural environments and local distinctiveness
- Developing 'creative industry nodes' in rural areas throughout the Borough that act as focal points to attract and support small creative industries and businesses

- Developing and strengthening rural towns and villages, ensuring local services are retained
- Expanding the role of Wellington, economically, socially and culturally, to ensure benefits to its rural catchment, for example by developing its food town status

### Parish and MCTI Plans

As mentioned in the introduction to this section, during the formation of the BHED Strategy a thorough analysis of local parish plans was undertaken to ensure the Strategy matched well with local 'on the ground' needs. During the formation of the evidence base for this Strategy, key elements of the parish plans (and MCTI Strategies) were summarised in relation to the local action themes of economic productivity, access to services and environmental economy. This summary was then used to inform the evidence base and guide the formation of the Strategy's aims and objectives. Consequently, where possible the LDS is well aligned with the needs of local people and includes activities that address the parish plan elements.

**Table 19: Parish Plan and MCTI Priorities aligned with LDS Objectives**

Objective A: Raise Business Performance and Local Employment	Objective B: Connecting Communities	Objective C: Optimise Sustainable Local Resource Use
<p>Dependency on Large Employers</p> <ul style="list-style-type: none"> <li>• Axminster, Chard, Wellington and Taunton Deane</li> </ul> <p>High Proportion of Micro Businesses</p> <ul style="list-style-type: none"> <li>• Outlined by Honiton and Widworthy</li> </ul> <p>Encourage enterprise and start-ups</p> <ul style="list-style-type: none"> <li>• Particular relevance to Chard, Honiton and Tipton St John</li> </ul> <p>Increasing the number and variety of local jobs</p> <ul style="list-style-type: none"> <li>• Particular relevance to Honiton, Taunton Deane, Aylesbeare and Honiton</li> </ul> <p>Raising the skills level</p> <ul style="list-style-type: none"> <li>• Particular relevance to Honiton, Chard, Wellington and Taunton Deane</li> </ul>	<p>Increased Community and Public Transport</p> <ul style="list-style-type: none"> <li>• Particular relevance to Chard, Awliscombe, Dunkeswell, Tatworth and Forton and Pitminster</li> </ul> <p>Rural Healthcare</p> <ul style="list-style-type: none"> <li>• Particular relevance to Aylesbeare, Dunkeswell, Feniton and Tatworth and Forton</li> </ul> <p>Mitigating effects of Rural Isolation</p> <ul style="list-style-type: none"> <li>• Improving accessibility to community facilities such as school, post office, shop etc. as outlined by Honiton, Dunkeswell, Tipton St John and Aylesbeare</li> </ul>	<p>Recreation</p> <ul style="list-style-type: none"> <li>• Axminster, Honiton, Chard, Wellington, Taunton Deane and Tatworth and Forton expressed interest in more walking and cycling opportunities and access to green open spaces</li> </ul> <p>Environmental Quality</p> <ul style="list-style-type: none"> <li>• Town centre redevelopment has been outlined by Axminster and Wellington</li> <li>• Retaining and developing character of existing natural and built environment was outlined by Chard, Tatworth and Forton and Pitminster</li> <li>• Sustainable development/ construction was outlined by Chard and Wellington</li> <li>• Protection of landscape was outlined by All Saints Parish, Aylesbeare, Feniton, Membury and Yarcombe</li> <li>• General concern for cleanliness was outlined by Honiton, Feniton and Tatworth and Forton</li> </ul>

### Ensuring Integration across the programme axes

Achieving integration is something with which the partnership formed to oversee this strategy is very familiar, and indeed well equipped to pursue. As this bid is built upon the foundations of the existing LEADER+ programme, core LAG members are familiar with the priorities of rural development at a national level and the specific refinements of the RDPE and how these build upon the former ERDP. The membership is also practically experienced in ensuring integration is achieved through the use of careful assessment criteria in order to assess the extent to which proposed projects, in a wider sense, complement and integrate with priorities as outlined in the SWRIP and the national RDPE guidance.

#### Principles for ensuring that activities are integrated

The strong AONB relationships between Natural England and Forestry Commission and local authorities will help this LDS to provide a local vehicle for assisting with and adding value to the delivery of activity under Measures within Axes 1, 2 and 3.

#### Communication channels with relevant bodies to aid integration

The existing communication structures offered by the two AONB management groups and their regional networks will complement the LAG by offering ready and regular exchange between local players and county and regional staff in Natural England and the Forestry Commission. These avenues of communication will be made to work effectively to assist integrated action.

#### Emerging opportunities for complementary work

##### Axis 1 and Axis 3

**Business support** (*Measures 312, 111, 124 and 311*) Under Objective A – Raise Business Performance and Local Employment, bespoke business support will be designed to complement and not duplicate the Business Link Information, Diagnostic and Brokerage model of Business Link. In addition support offered will be closely aligned to the needs of

businesses within the area as detailed in the Devon Renaissance Business Survey. The support offered will therefore improve the applicability of the business support currently on offer and, being offered within the locality, will increase accessibility levels.

**Supply Chain** (*Measures 122, 123, 124 and 125*) Measures to promote market development and integrated supply chains with the food and forestry sectors will aid efforts by partner bodies in these areas.

**Promoting tourism** (*Measures 313 and 323*) The LDS contains a range of proposals for developing the quality, reach and sustainability of tourism by making fuller use of the forest, the link between coast and inland areas, and the development of new business activity which integrates the arts and environment.

## Axis 2

**Aiding the uptake of agri-environment payments** (*Measures 212 to 227*) Under Objective C of the LDS we will build on recent valuable work funded through Leader+ to explore the barriers to uptake of Environmental Stewardship, promote uptake in targeted areas, and enable collaborative approaches which combine agri-environmental payments with the development of new, local value-added products. Through support for information sharing and collaborative working between woodland owners, the LDS will assist in disseminating advice to woodland owners about grant aid under the EWGS, to help bring neglected woodland into active management.

# E. ACTIONS AND IMPLEMENTATION

This section of the strategy outlines how the LDS will be delivered. It includes a description of the activity themes that will be funded under each objective and the type of projects that will be funded as well as those that will be commissioned. Detail is also given of delegated grant schemes within this section and how these will work across the three objectives of the strategy. We have profiled spend under each objective, which at this stage is forecast and will be reviewed should the bid be successful. In addition we also make mention here of the integrated approach to the delivery of this strategy and how the projects funded will complement each other and help, as a collective, to achieve the outcomes and outputs outlined in section G. Other content includes how the LAG will ensure that value for money is achieved, how sustainable development principles will be integrated and the extent to which proposed activities and projects will be innovative.

## E1 Integrated Approach

Integrated rural development is essential and the objectives that drive this strategy are designed to achieve this integration. Although necessarily distinct in their description and funding allocations, all have the common goal of socio-economic development whether this be through focused business support, connecting communities or optimising sustainable local resource use. This is also exemplified in the type of projects that are outlined in this section, many of which could have been placed under more than one objective and which therefore create a synergy of approach which adds to the ability of the strategy to be integrated in terms of delivery and its wider links with regional and national priorities under the RDPE.

## E 2 Value for Money

Projects and initiatives funded through this LDS will be required to demonstrate value for money in a variety of ways, depending on the specifics of the project in question. Initially, the inclusion of value for money arrangements within project appraisal criteria will ensure that only projects demonstrating thorough financial monitoring and management will be approved. Where necessary, intervention rates will also help to secure value for money with rates set at 25%, 50% and, in certain cases, 75% in order to ensure that financial ownership by both the public and private sectors adds weight to the importance of value for money. In addition, in certain cases a commissioned approach will be taken to ensure best value for money. In this instance projects will be carefully chosen that have strong systems in place to guarantee robust financial management.

It is important to also mention here how value for money will be achieved for pilot and capital investment projects. In some instance projects and initiatives will be at the pilot stage. Although within appraisal criteria these projects will be required to build upon wider experience, an element of risk is guaranteed within such an investment. In these instances the project's proposed means of reducing risk will be carefully assessed and, where necessary, questioned in order to safeguard against irresponsible spending. In relation to capital projects, which by necessity require larger funding allocations, it is essential that value for money is achieved. In this circumstance proposed projects will be required to demonstrate a robust business case, outlining the economic benefits that will be delivered which will be required to cover particular output targets and outcome estimations. Overall Programme value for money is indicated through the quantity and quality of outputs and outcomes for the amount of RDPE being bid for, and the other money being levered into the area.

## E 3 Innovative Approaches

Although this LDS builds upon extensive past experience in delivering rural development funding, the vast majority of the initiatives that will be funded will be either new or within geographic localities that were not previously funded by the existing LEADER+ programme. In terms of innovation, then, it will be important for the delivery staff to promote innovative approaches within existing projects that are assisted and, as is more likely, those projects that are at the set-up stage – something of which the current bidding group is well aware. All projects will therefore be required to demonstrate within their funding applications the ways in which their approach is innovative and balances the need to build upon past experience with developing new approaches to intervention and delivery.

## E 4 Sustainable Development Principles

Sustainable development principles are not only a core part of the activities that may be funded by this strategy (including sustainability projects that build knowledge and aspiration, sustainable local and strategic solutions to access issues, sustainable tourism and sustainable uses of existing natural resources) but also to its delivery. Activities funded will therefore, where necessary, need to demonstrate at both the application and review (evaluation) stage that best practice in relation to sustainability will be and has been used. This may be in relation to a variety of factors including, for example, business resource efficiency, environmental performance (including energy, waste and water savings) and more strategic impacts such as longer term collaborative arrangements between local supply chains that reduce transport time. A thorough understanding of how any benefits will be achieved will therefore be essential at application stage. Where necessary, advice and guidance will also be given to applicants in relation to environmental sustainability in order that applications can demonstrate practical measures to ensure sustainable principles are adhered to. In addition, where appropriate, outputs in relation to sustainability will also be required to be demonstrated. For all projects practical measures to increase sustainability will be encouraged including, for example, the use of recycled resources, the minimisation of waste and the use of alternatively fuelled vehicles for tasks such as product delivery.

## E 5 Activities

### Administration and the Support Project

The Programme will employ a three key staff to manage the overall programme; Programme Manager (Full Time), Programme Assistant (Part time) and Finance Officer (Part time). The programme will source support from Devon Rural Renaissance with systems set up, so that they can be compliant with SWERDA guidelines and benefit from some efficiency savings. This part of the bid falls wholly within administration and capacity building costs (measure 431) and at £444,000 (indicative) represents 12% of the combined RDPE and Public Sector contribution.

The Hands on Support and Specialist Help Network which will be commissioned immediately will enable the programme to be delivered. The evaluation from the current LEADER+ programme showed that the sector support was 'valued and made a difference' and led to the current sector groups (specifically Blackdown Hills Woodland Association, BH Food and Drink Group, BH Artists and Makers, BH Fibre group) being developed. However, it left 'gaps in reach' and a lack of cohesion overall. The recommendation was to continue with the 'hands on support element' in some form. With the larger BHED area, and the lack of experience with EU funds and collaborative working in the newer parts of the area, facilitation and support are crucial to creating change.

This project will enable the LAG to provide local support at arms length, and to monitor its effectiveness through the usual monitoring and evaluation mechanisms adopted by the *Make it Local* programme. It will also engage members of the wider LAG (the Consultative and Advisory Group) in a support role which is innovative in its delivery.

The first strand of this project focuses on direct support. Building on the sector support model from the current LEADER+ programme, this Project will employ two part-time Hands on Support workers, one in the north and one in the south of the BHED area. They will be employed by DCC and hosted with the two leading partner organisations, so will be based mainly in the Blackdown Hills AONB and East Devon AONB. This arrangement will facilitate local and strategic links to be made, including key links with Axis 1 and Axis 2 programmes through direct contact with Forestry Commission (Neroche project based at Blackdown Hills) and Natural England (hot desk arrangement in process with East Devon AONB).

They will provide initial contact and direct support to groups, communities and businesses to develop their capacity in line with the programmes three strategic objectives of 'Raise Business Performance and Local Employment', 'Connecting Communities' and 'Optimise Sustainable Local Resource Use'. Key areas of focus will be collaborative working within the sectors (which are identified in the Partnership Structure), helping people to work together to create successful outcomes. They will also facilitate connections between the sectors groups and business / organisations outside the area, so that gains can be maximised. They will be specialists in project development, planning, funding, and network development.

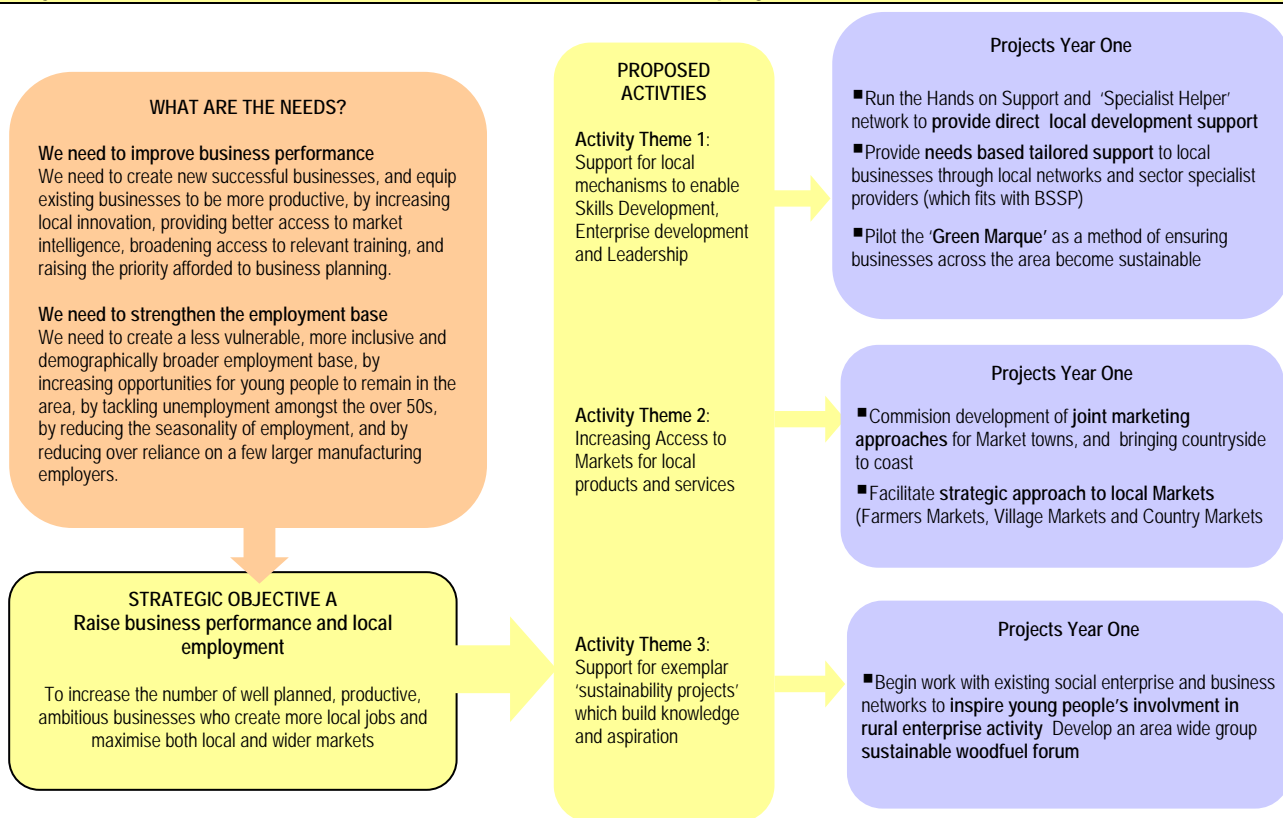
[They will *not* be providing overall business development support, but will facilitate links with Business Link and other providers)

The second strand is about the more **Specialist Help** which businesses, communities or groups need to find. Building again on experience and evaluation from the current LEADER+ programme, which identified the need for 'administrative infrastructure / resources for local businesses' which could be accessed as needed. This project will create a managed network and register of local specialists, from whom projects can buy help them develop or support their project idea. For example, an arts group wanting to carry out some joint marketing could get help from local art marketing expert, with funding from the easy access pot for a few days consultancy. This could then lead to a bigger bid from the Small Grants fund.

Proposed funding profiles:

	RDPE	PRIVATE	PUBLIC	TOTAL
Capacity building LAG, administration and staffing costs	330,000	30,000	84,000	444,000
Specialist Help and Hands on Support (commissioned projects)	250,000	16,000	20,000	286,000

## Objective A: Raise Business Performance and Local Employment



### Activity Theme 1: Support for local mechanisms to enable Skills Development, Enterprise development and Leadership

The key aim of this activity strand is to address the low aspirations for growth of businesses in the area (including sole traders), help businesses to plan and to promote innovative approaches to product and business development. The activities in this theme are designed to complement and add value to the Information, Diagnosis and Brokerage offer of Business Link at two key transition stages - firstly at the pre pre-start stage of business development, to support business ideas to come forward – and therefore to prime the market for the Business Link offer. Secondly the activities of theme aim to overcome the skills deficits that are constraining productivity and financial performance of many of the small businesses in the area. The activity targets the majority of businesses that are categorised as micro or small business that make up 88% of the total number in the area. The relatively low level of start-up numbers means that very high proportions of existing businesses have been trading for longer than 12 months, and are outside the growth sector supported by Business Link. This activity will raise entrepreneurial and management skills, and encourage the adoption of innovation in these businesses.

## Activity Theme 2: Increasing Access to Markets for local products and services

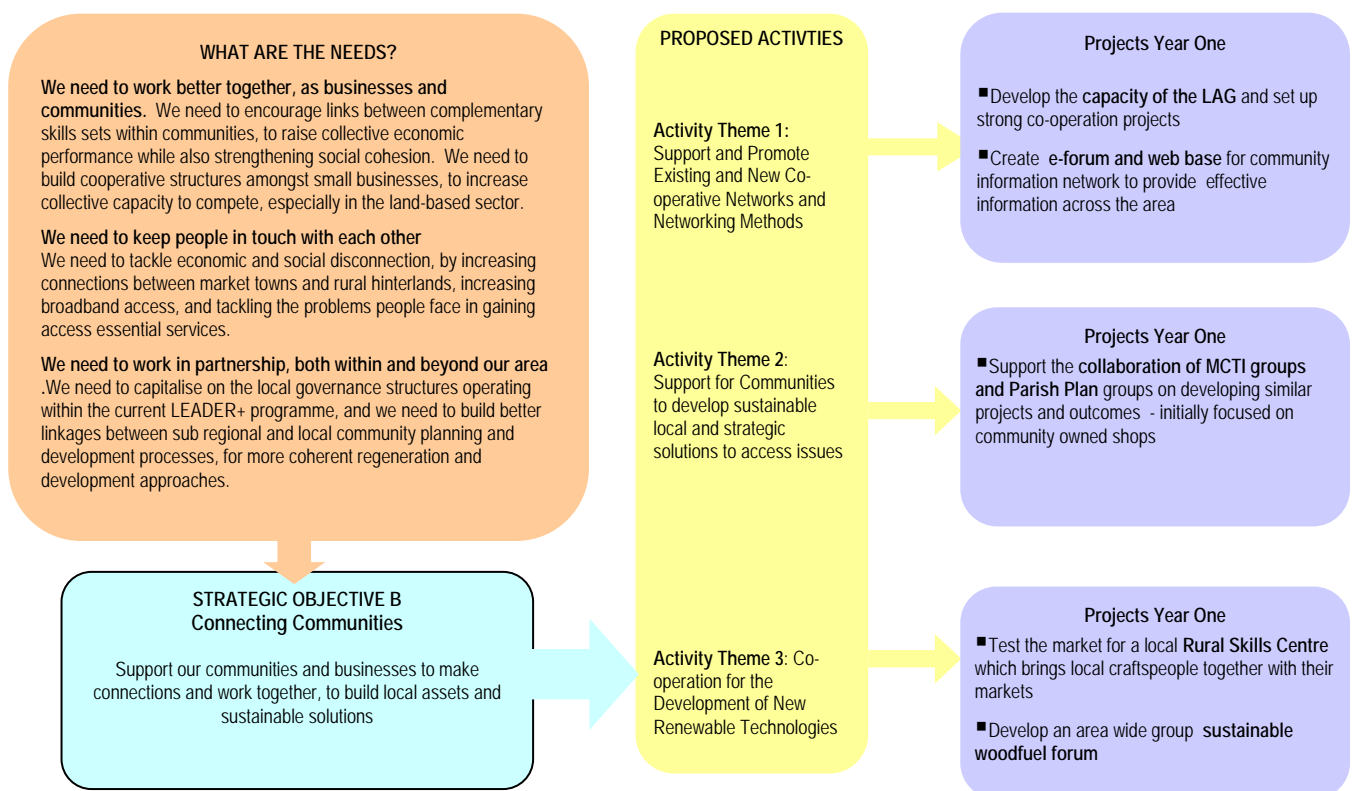
The inherent difficulties of lack of infrastructure and sparse rural populations create difficulties for businesses in accessing new markets for products and services. For example the evaluation of the LEADER+ programme in the Blackdown Hills has demonstrated that small businesses see their competition as being local and predicated on a local market, whereas in fact their competition and their P markets may come from outside the local area. Notable successes under the Blackdown Hills LEADER + in providing marketing and promotion support to small food and woodworking businesses has proved the case for extending this focussed marketing support approach across the wider BHED area and to other sectors e.g. tourism sector, enabling and encouraging businesses to research and target new markets and to collaborate together to create a combined local offer.

## Activity Theme 3: Support for exemplar 'sustainability projects' which build knowledge and aspiration

Local businesses have identified the need for demonstration projects which can lead by example. These are exemplar rather demonstration for the public, and will provide the inspirational 'pull' that the area needs. These strategic projects will show other local businesses and organisations what makes them successful.

Proposed funding profiles:	RDPE	PRIVATE	PUBLIC	TOTAL
1 Support for local mechanisms to enable Skills Development, Enterprise development and Leadership	300,000	125,000	125,000	550,000
2 Increasing Access to Markets for local products and services	200,000	50,000	150,000	400,000
3 Support for exemplar 'sustainability projects' which build knowledge and aspiration	150,000	50,000	100,000	300,000

## Objective B: Connecting Communities



## Activity Theme 1: Support and Promote Existing and New Co-operative Networks and Networking Methods

This activity theme addresses the barriers to business networking and collaboration identified in the recent Devon Renaissance Business Survey where one third of respondents felt there were not enough co-operative structures in place to promote collaboration and networking. The Blackdown Hills Leader+ approach has demonstrated already through its sector fora e.g. Woodlands and Forestry, that supporting collaborative structures is a vital aid to prime innovation and entrepreneurship as well as creating beneficial economies of scale. Experience from that programme has also shown that to be most effective these co-operative networks must be demand-led. The consultation process for the BHED bid has identified a number of existing or emerging networks, particularly in the woodlands and cultural/creative sectors, which have already a clear agenda for co-operative working. Two of these networks are already working with partners in other European states so there is potential for early transnational / collaborative projects.

Consultation has demonstrated the importance of early development of an easy to use, interactive BHED website to raise awareness of its potential, provide details of the programme, showcase its activities and successful projects and promote the sharing of information. This will be a priority commissioned project for the first year of the programme. Building on our experience, BHED will support activities in this theme that can clearly identify co-operative outcomes that will benefit both the individual businesses and community groups involved, i.e. adding demonstrable value and productivity to their own efforts and which will provide opportunities for further collaborative working.

**Activity Theme 2: Support for Communities to develop sustainable local and strategic solutions to access issues**

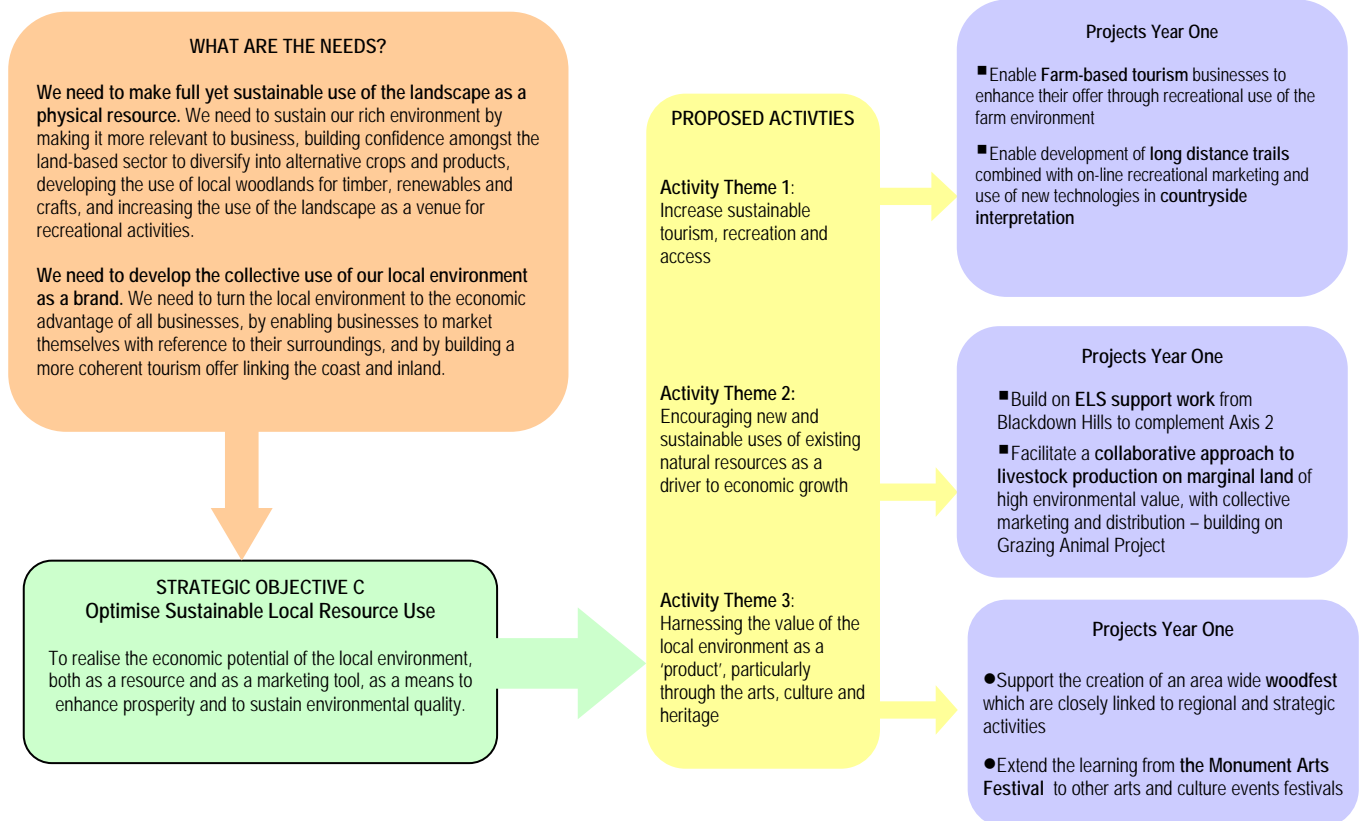
One thread of this theme will be to support village communities to develop innovative solutions to the issues of lack of transport and poor access to services, learning, recreational opportunities and information. Activities will encourage village communities bring forward their own solutions to these issues where these can come forward via the establishment of digital networks in village halls and other community venues. The key activity in the first year of the BHED programme will be to commission research and feasibility work to investigate and plan how such ICT hardware, software and connections could work in practice using 2 communities in Somerset and two in East Devon as research models. This activity will also aim to create and support village social networking groups in these pilot communities as an aid to embedding the process.

**Activity Theme 3: Co-operation for the Development of New Renewable Technologies**

This activity theme aims to encourage and promote the use by businesses of new and renewable energy technologies, thereby also increasing their efficiency and productivity at the same time as reducing waste, energy and water use. The activity will use capital and revenue grants up to a maximum of £10,000 to encourage businesses to access advice and guidance and to install equipment as well as sharing technical expertise, innovative practice and learning of the potential for new technologies e.g. solar energy and wind power, anaerobic digestion - in their own businesses and across the sector.

Proposed funding profiles:	RDPE	PRIVATE	PUBLIC	TOTAL
1 Support and Promote Existing and New Co-operative Networks and Networking Methods	220,000	50,000	30,000	300,000
2 Support for Communities to develop sustainable local and strategic solutions to access issues	480,000	50,000	70,000	600,000
3 Co-operation for the Development of New Renewable Technologies	200,000	70,000	95,000	365,000

**Objective C: Optimise Sustainable Local Resource Use**



### Activity Theme 1: Increase sustainable tourism, recreation and access

This activity theme will address the need to create new, sustainable sources of employment to replace the traditional, now declining, manufacturing and agricultural industries. It will encourage farms and woodlands to diversify and raise their profitability through environmental protection as well as enhancing their offer through recreational use of the farm or woodland environment.

The unique landscape of the Blackdown Hills and East Devon Areas of Outstanding Natural Beauty is a rich, but under-used recreational and tourism resource. The theme will support activities and development of enterprises which enable increased access to that landscape. Examples of activities include the development of accommodation for tourists with their horses and hire of energy efficient all terrain scooters to enable disabled local people and tourists to enjoy the landscape.

### Activity Theme 2: Encouraging new and sustainable uses of existing natural resources as a driver to economic growth

The outstanding landscape and environment of the BHED area provide a wealth of opportunity that can be used to meet local needs, create new products and develop the economy. This activity theme will encourage businesses and communities to look again at the resources that are available and develop their economic potential. Examples of activities include utilising the extensive woodland areas for woodfuel, developing new woodland products and the sustainable harvesting of rare wildflower seed.

### Activity Theme 3: Harnessing the value of the local environment as a 'product', particularly through the arts, culture and heritage

Part of this theme is about making the most of the landscape through countryside interpretation, local cultural events and festivals. The LEADER+ Programme in the Blackdown Hills helped to develop the Blackdown Hills 'brand' and work by the AONB in East Devon has started to have impact. The other part of this theme is about supporting artists, 'makers' and rural crafts people, so that their work can add value to the cultural tourism and recreational offer through their creativity.

Proposed funding profiles:	RDPE	PRIVATE	PUBLIC	TOTAL
2 Encouraging new and sustainable uses of existing natural resources as a driver to economic growth	300,000	150,000	50,000	500,000
3 Harnessing the value of the local environment as a 'product', particularly through the arts, culture and heritage	250,000	50,000	75,000	375,000
1 Increase sustainable tourism, recreation and access	220,000	129,000	25,000	374,000

## E 6 Programme Funding Profiles

These overall profiles and the detailed profiles on the following pages have as their base the raft of local projects that were collected as part of the consultation work. (The first year projects are described briefly in the Actions and Implementations section). This makes them robust and based on reality.

Local authority funding partners, including Devon County Council, Somerset County Council, East Devon District, South Somerset District, Taunton Deane and Mid Devon have shown willing to contribute to the overall funding profiles. Actual commitment will and specific amounts will be committed if the bid is successful – figures here are indicative. Private sector match will be levered in through project private contributions, Trusts and other non-public sources. In Kind amounts and sources are based on previous experience with LEADER+ and other programmes.

Table 20:: Programme Funding Profile

Funding profile:	Year 1 £,000	Year 2 £,000	Year 3 £,000	Year 4 £,000	Year 5 £,000	Year 6 £,000	Total £,000
<i>RDPE – for capital spend</i>	15	200	200	200	200	200	1015
<i>RDPE – for revenue spend</i>	135	350	350	350	350	350	1885
Total estimated RDPE contribution	150	550	550	550	550	550	2900
Estimated private sector/non public sector funding:	35	147	147	147	147	147	770
<i>Cash:(project match)</i>	20	100	100	100	100	100	520
<i>In kind:</i>	15	47	47	47	47	47	250
Estimated other public funding: Local Authorities, Sustainable Development Fund (NE), Lottery	71	159	162	163	134	135	824
<b>Grand total (all sources):</b>	256	856	859	860	831	832	4494

**Table 21: Activities (Outline Delivery Plan) for LAG Development, Animation and Administration and Development Projects**

Activity/project ID and title	Axis 3 measure(s)	Funding £							Key Partners funding contributions
		Year 1			Year 1 - 6			Total	
		RDPE	Private	Public	RDPE	Private	Public		
Capacity building LAG, administration and staffing costs	431	19,500	5,000	7,600	330,000	30,000	84,000	444,000	Local Authorities
Specialist Help and Hands on Support (commissioned projects)	311, 312,313, 331, 322, 431,	11,000	3,000	5,000	250,000	16,000	20,000	286,000	Local Authorities
<b>Totals</b>		<b>30,500</b>	<b>8,000</b>	<b>12,600</b>	<b>580,000</b>	<b>46,000</b>	<b>104,000</b>	<b>730,000</b>	

**Table 22: Activities (Outline Delivery Plan) for Objective A – Raising and Enabling Business Aspirations**

Activity/project ID and title	Axis 3 measure(s)	Funding £							Key Partners funding contributions
		Year 1			Year 1 - 6			Total	
		RDPE	Private	Public	RDPE	Private	Public		
1 Support for local mechanisms to enable Skills Development, Enterprise development and Leadership	311,312,331,341,431	20,000	3,000	4,750	300,000	125,000	125,000	550,000	LA, project Match
2 Increasing Access to Markets for local products and services	311,312,313,341, 421	15,000	2,000	4,750	200,000	50,000	150,000	400,000	LA, project Match
3 Support for exemplar 'sustainability projects' which build knowledge and aspiration	311,312,313,323,322, 421	10,000	2,000	4,750	150,000	50,000	100,000	300,000	LA, project Match
<b>Totals</b>		<b>45,000</b>	<b>7,000</b>	<b>14,250</b>	<b>650,000</b>	<b>225,000</b>	<b>375,000</b>	<b>1,250,000</b>	

**Table 23: Activities (Outline Delivery Plan) for Objective B – Making Connections**

Activity/project ID and title	Axis 3 measure(s)	Funding £							Key Partners funding contributions
		Year 1			Year 1 - 6			Total	
		RDPE	Private	Public	RDPE	Private	Public		
1 Support and Promote Existing and New Co-operative Networks and Networking Methods	311,312,313, 341 322, 331, 421	15,000	3,000	4,500	220,000	50,000	30,000	300,000	LA, project Match
2 Support for Communities to develop sustainable local and strategic solutions to access issues	321,322, 331	10,000	5,000	1,900	480,000	50,000	70,000	600,000	LA, project Match
3 Co-operation for the Development of New Renewable Technologies	311, 312, 322 421	4,500	0	0	200,000	70,000	95,000	365,000	LA, project Match
<b>Totals</b>		<b>29,500</b>	<b>8,000</b>	<b>6,400</b>	<b>900,000</b>	<b>170,000</b>	<b>195,000</b>	<b>1,265,000</b>	

**Table 24: Activities (Outline Delivery Plan) for Objective C – Maximise Resource Potential**

Activity/project ID and title	Axis 3 measure(s)	Funding £							Key Partners funding contributions
		Year 1			Year 1 - 6			Total	
		RDPE	Private	Public	RDPE	Private	Public		
1 Increase sustainable tourism, recreation and access	311, 313, 323	20,000	6,000	18,750	300,000	150,000	50,000	500,000	LA, project Match
2 Encouraging new and sustainable uses of existing natural resources as a driver to economic growth	313, 331, 323	15,000	3,000	9,500	250,000	50,000	75,000	375,000	LA, project Match
3 Harnessing the value of the local environment as a 'product', particularly through the arts, culture and heritage	313, 331, 322, 341	10,000	3,000	9,500	220,000	129,000	25,000	374,000	LA, project Match
<b>Totals</b>		<b>45,000</b>	<b>12,000</b>	<b>37,750</b>	<b>770,000</b>	<b>329,000</b>	<b>150,000</b>	<b>1,249,000</b>	

## E 7 Contingency Planning

Many aspects of contingency planning are referred to in the risk assessment for this Strategy which has identified approaches and procedures to respond to specific situations or events that may occur over the life of the programme.

The LAG has constructed a modest but realistic bid to Local Action which it is felt is robust and is based on experience with the LEADER+ Programme and other funding regimes such as SDF. A major consideration for the LAG should RDPE funding be scaled back from that requested would be how to proceed with the proposed LDS. It is anticipated that the Shadow LAG would still choose to proceed in this case and the LAG would need to consider the funding levels available, referring to the risk assessment process to direct actions in order to identifying the appropriate steps to take in prioritising a reduced programme.

However, before taking this step the LAG would seek to confirm other possible sources of match funding in order to maintain the proposed level of activity, as having been granted even a smaller amount of RDPE funding will make it more likely that other partners can add match to specific activities or projects. If scaling back is required, a process of prioritisation would be agreed through the LAG. At this stage it is anticipated that reduced overall funding would immediately impact on staffing, resulting in a significant reduction of outputs and outcomes across the area. Without the establishment of the Support Worker and Specialist Help project it is likely that any proposals still capable of being supported would take more time to develop and awareness and information about the programme would take much longer to establish.

We would therefore look to closer working with other agencies / organisations to address the staffing shortfall. However as there are no similar structures in the area it would be a challenge to find such development support. This is one of the reasons why this bid is so important for the area. The other main area of impact would be on the level and range of project activity that could be supported by the programme. It is felt that the commissionable projects are an integral part of the developing and delivering the overall programme and are fundamental to the exit strategy. For this reason they are seen as important priorities. Further project activity would undergo a prioritisation process that would prioritise those projects which most strongly met the key objectives for the area.

## F. PARTNERSHIP

### F1 Development of the LAG and Local Development Strategy

The Local Action Group (known as the Programme Management Group or PMG) builds on the skills, experience and expertise in L. D. S. development and implementation gained through involvement in the successful Blackdown Hills Leader + Programme. An initial steering group made up of representatives of East Devon AONB, Blackdown Hills AONB, Somerset & Devon County Councils, Mid Devon, South Somerset District Councils and Taunton Deane, plus Devon Rural Renaissance, steered the development of the Expression of Interest. This group has overseen the development of the final bid and the growth of the Shadow LAG. Key to the development of the LDS was the two-stage information and consultation events held in Somerset and East Devon during April and early May.

**Table 25: Organisations involved in consultation events**

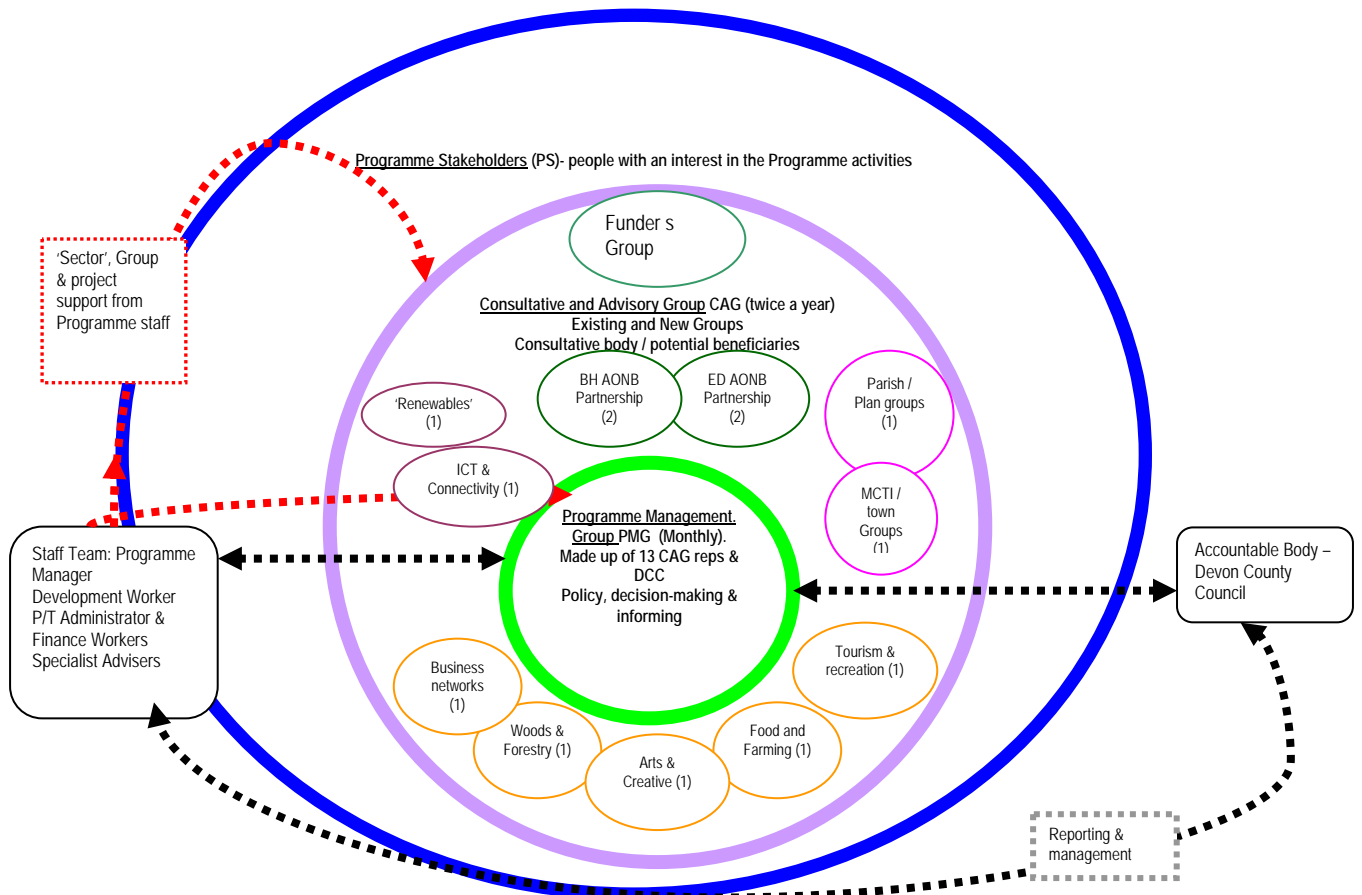
Natural England	Business Information Point	Community Council of Devon
Somerset Food Links	Blackdown Hills Business Association	Churchinford Community Shop
Jurassic Coast	East Devon Business Forum	Offwell Rural Services Association
Neroche Scheme	Devon Rural Renaissance	TRIP Community Transport
Ellises Farm	Somerset Rural Renaissance	ViRSA
BH Food & Drink Group	Devon Association for Renewables Energy	Axminster Community Enterprise
Forestry Commission	Recycling In Ottery	Cosmic
East Devon Farmers/HOOP Associates	Otter Rotters	Buckland St Mary PC
Magellan Projects	South Somerset District Council	Yarcombe Parish Council
The Cheese Gigg	Taunton Deane Borough Council	Sidmouth Town Council
Dunkeswell Eco Business Park Ltd	Devon County Council	Chard Town Council
FWAG	Somerset County Council	Axminster Town Council
Silvanus Trust	East Devon District Council	Hemyock PC
Blackdown Hills Hedge Association	Mid Devon District Council	Colyton Parish Council
Blackdown Hills Woodland Association	Trimplants	Offwell Parish Council

First stage events reviewed evaluation feedback on the successful Blackdown Hills Leader + Programme, identified the basic building blocks and needs for the BHED Programme, and invited proposals for potential projects. The events also provided opportunities for people to explore their potential involvement in the BHED management and wider structure, and preferred communication pathways. At the second stage event, the Programme priorities were reviewed and fine-tuned, in

the light of project proposals received. Those interested in Programme management involvement completed a skills, knowledge and experience audit, and LAG responsibilities and structure were finalised. These events were attended by 59 consultees including representatives from farming, food and drink producers, creative arts, forestry, tourism, IT and connectivity, recycling and environment and parish councils. Local businesses, social enterprises, voluntary/community sector and local government were represented.

The information and consultation events raised awareness of and interest in the proposed Programme, and enabled the gathering of views and opinions on priorities, while enlisting support and commitment to it. Through the consultation and information events, priorities have been shaped to meet local needs, the management and wider input structure and communication processes have been refined, and shadow LAG members have been recruited.

## F2 Local Action Group Structure



Shadow LAG members' represent and bring experience and knowledge from sector groupings, in structure that is a development from the Blackdown Hills LAG model and also uses the sector approach. Representatives are drawn from 'sectors' to create a representative body, along with the Funders Group. The structure is shown graphically overleaf. The Shadow LAG now includes: There is representation across the social, economic and environmental categories.

East Devon AONB	Mike Ellingham	Chairman / NFU Representative
East Devon AONB	Malcolm Florey	District Councillor and EDDC Business Champion
Blackdown Hills AONB	Paul Diviani *	Chairman EDDC /BH AONB
Blackdown Hills AONB	Heather Stallard *	Blackdown Hills Business Association
Parish / Parish Plan	Clive Stone	Colyton Parish Council / Local Business
Town/MCTI	Bob Buxton *	Honiton MCTI Group / Devon Towns Forum
Tourism and Recreation	Gavin Saunders	Neroche Partnership FC
Food and Farming	Catherine Broomfield	Hoop Associates / East Devon Farmers Markets
Arts and Creative	Tracy Bell *	BHAMM (Arts group) / Local Arts Business
Wood and Forestry	John Greenshields *	Blackdown Hills Woodland Association
Business Networks	David Hinshelwood	Business Information Point
ICT & Connectivity	Julie Harris	Project Cosmic (Social Enterprise)
Renewables	Andrew Lovering	Greenthinking

Those marked with an asterisk have been involved with the LEADER+ programme in the Blackdown Hills, and bring continuity and strength to the new Programme.

The Funders Group, which has been the 'Bid Development Partnership', includes Devon County Council (as the Accountable Body), Somerset County Council, East Devon District Council, South Somerset District Council, Mid Devon District and Taunton Deane Borough Council.

### F 3 LAG Terms of Reference

Representation from all sectors is enshrined in the terms of reference which have been drawn up for the LAG. Terms of reference which outline the roles and responsibilities of the LAG also address action and procedures to deal with potential conflicts of interest.

**Membership** - the group comprises a minimum of 15 members, at least 50% of whom are from the private sector. Membership encompasses economic, social and environmental partners, including private business, social enterprises and voluntary/community sector groups. Representation will be representative of the geography of the area i.e. Somerset and Devon, coast and country, town and parish. Specific representation is included from at least 1 member able to put forward the needs of each of the following: the accountable body; private business networks; woods & forestry; arts & creative; food & farming; tourism & recreation; ICT & connectivity; environment & recycling; MCTI/town groups; parish plan/parish councils.[see the figure above]

Blackdown Hills AONB and East Devon AONB Partnerships provide 2 representatives each, including local authority representation from both Somerset and Devon. At least 3 representatives are drawn from the wider programme stakeholders to ensure community representation and accountability. A quorum will consist of one-third of its members (5 individuals) must be present. The group intends to co-opt non-voting members to represent its changing needs for expertise during the life of the programme.

**Conflicts of Interest** - members of the group are required to sign a code of conduct, in which they agree to act in the best interests of the programme by declaring any interests they may have as individuals, employees or as members of any other organisation/initiative. LAG members cannot sit on the Project Appraisal Panel, when it is considering an application from any project in which they have a current involvement, or from which they might stand to benefit in future.

**Table 26: Roles and Responsibilities**

A. Devon County Council - Accountable Body	Develops and oversees systems to: Implement overall financial control and compliance; Monitors spend against budgets and targets. Ensure adequate cash flow and accounting. Employs staff until standalone body established (as part of exit strategy)	Representative sits on monthly PMG (LAG). Regular liaison and support to BHED Finance Worker
B. LAG - Programme Management Group(PMG) Individuals with specialist knowledge of Blackdown Hills & East Devon, sectoral interest and Funders. 50% private sector minimum	Agrees and oversees strategy and implementation of LDS, including: profile and reach, integration and co-operation, finance, grant making and monitoring against targets. Prepares and approves annual Delivery Plans Prepares, approves and monitors policies to ensure effective programme implementation. Prepares, monitors and reviews procedures for effective project appraisal, project commissioning, project monitoring and review of the programme overall. Appoints Project Appraisal Panel and receives and approves their recommendations for project/activities funding. Approves Delegated Fund applications for specialist or technical help. Co-opts technical expertise onto PMG from CAG and other sources as required. Provides support and guidance to programme staff. Promotes the programme and develops opportunities for partnership working with agencies and businesses within the programme area and co-operation beyond the programme geographic area	Meets monthly. Project Appraisal Panel subgroup meets monthly for small grants, (£1000-£10,000 and quarterly for strategic grants (£10,000 +).

C. Consultative & Advisory Group (CAG) Individuals with specialist knowledge and expertise, representing sectoral interests. Maximum of 30 members	Supplies technical and sectoral expertise for the Project Management Group (LAG. Provides consultation, advice and guidance to PMG on: policy-making, strategy, implementation, programme operation and reach. Receives information on funding approvals; stimulates interest and generates projects and activities.	Meets bi-annually at BHED programme information and review events. Receives regular, in-depth programme information and project funding updates through designated e-network.*
D. Programme Stakeholders (PS) Interested Groups and individuals from the programme area's wider community. Membership unlimited.	Gives and receives information on the programme. Create wider accountability and connectedness. Link to and submit projects for funding.	Receive regular programme information via real or virtual (e-) newsletter.*

There is permeability between B and C above, i.e. between the Programme Management Group (LAG) and the Consultative and Advisory Group, to enable new skills and expertise to be brought into the Programme Management Group to meet the changing needs of the programme as it develops. There is a lower-level of permeability between C and D, i.e. the Consultative and Advisory Group and the programme stakeholders, to facilitate changing degrees of involvement and focus. \*One of the Year One projects will be BHED's ICT and connectivity system, including web site, designated e-network and virtual newsletter to assist effective communication between all levels of the management structure.

## F 4 Accountable Body (Roles & Responsibilities, Management of Finance)

Devon County Council (DCC) will act as Accountable Body, and has a wide range of experience of project and financial management of external funds. DCC was a leading partner in the SW Objective 2 programme and works closely with the RDA on the new round of 2007-2013 EU funding programmes. DCC has been and currently is the Accountable Body for a large number of significant projects, totalling approx £60m. DCC has been frequently praised by external independent scrutiny for its rigorous efficient and effective financial management.

In addition to EU funding DCC is currently the Accountable Body for the Sustainable Economies in Rural Communities programme (SERC), a £2.425m SWRDA programme and has also administered other significant RDA funds, such as the £1.6m SWRDA funding whilst Accountable Body for the Broadband for Devon project. DCC is also Accountable body for a considerable number of LSC projects totalling some £350m.

DCC have been audited and approved by the RDA, to ensure that their financial systems are robust and compliant. As the Accountable Body for the programme, DCC will carry out an initial audit visit to ensure that the programme's LAG has its own robust and compliant systems. The LAG has asked Devon Rural Renaissance to provide technical assistance with setting up system, to ensure that they are effective and fully compliant. DCC will receive financial and monitoring returns from the programme, and check to ensure their accuracy. It will oversee the programme's expenditure and financial needs, and use its reserves to bankroll the programme, thereby covering temporary shortfalls between claims and payments. Financial systems, controls and arrangements will be enshrined in the Partnership Agreement between BHED and DCC as they are with the other large programmes for which the Council acts as the accountable body. As a first tier regional local authority DCC has a budget in excess of £1bn and has the capacity to ensure that all the projects it administers meet their cash-flow requirements.

## F 5 Project Appraisal and Project Support

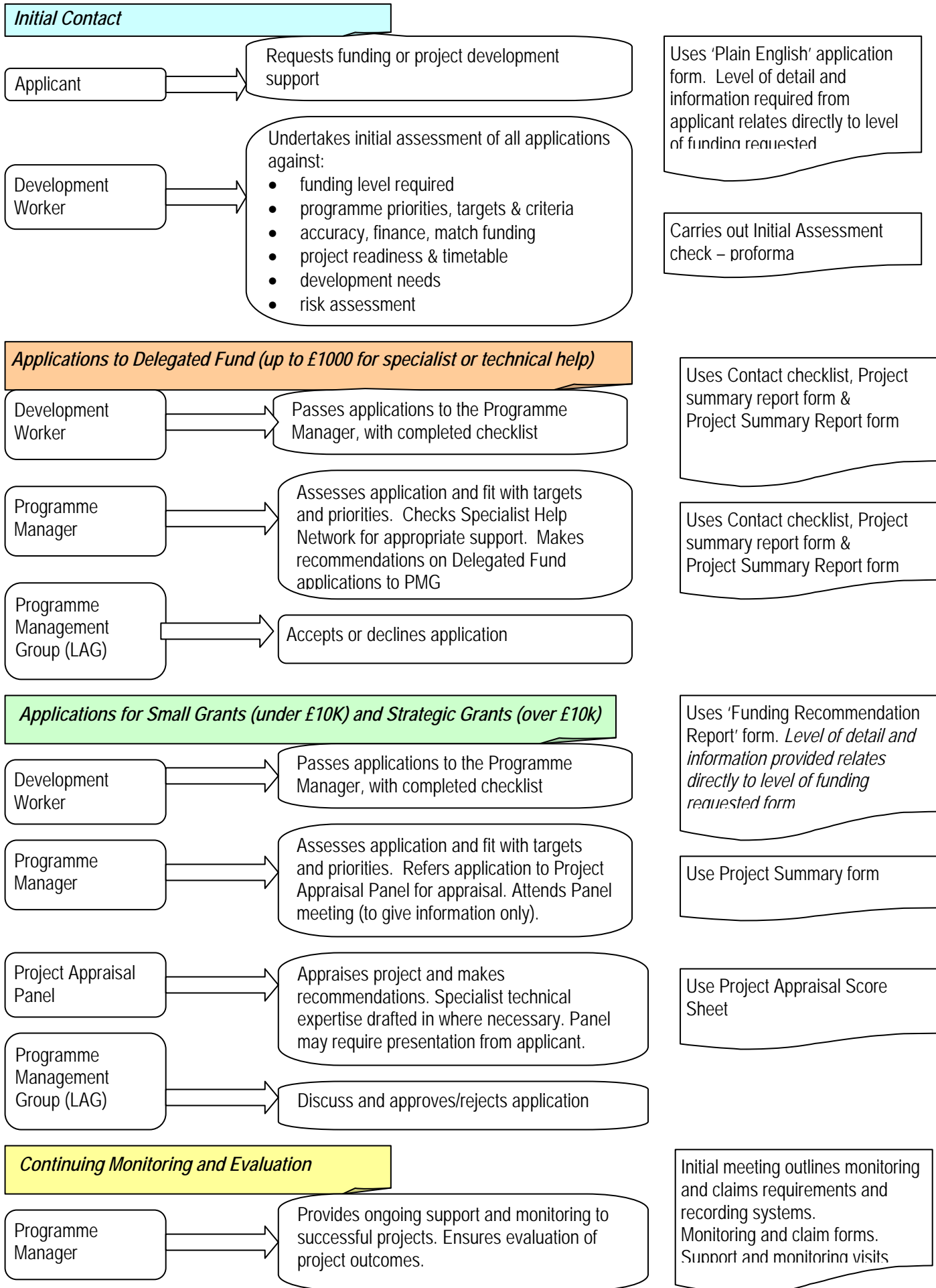
As well as commissioning projects, the *Making it Local* Programme will offer a Grant funding scheme in line with the three Strategic Objectives.

**Grant Sizes.** Three sizes of grant will be available through BHED:

- **Delegated Fund** up to £1000 for *specialist or technical help only*.
- **Small Grants** £1000-£10,000.
- **Strategic Grants** £10,000 - £100,000

Considerable experience exists within the Shadow LAG and CAG in developing, appraising supporting and monitoring projects within a Leader + framework and other grant schemes (including experience with Sustainable Development Fund, Rural Renaissance Schemes, SRB programmes and Objective 5b). BHED will again benefit from previous LEADER+ experience, through the refined project appraisal process outlined below.

## Project Development, Appraisal & Support Process



## Project Development, Appraisal and Support Roles

The **Programme Manager** is responsible for delivery of the executive functions of the programme as directed by the PMG (LAG). In particular the Programme Manager administers a Delegated Fund for grants up to £1000 for specialist or technical support only. The Delegated Fund will be especially useful in priming the development of ideas into full-scale, sustainable projects. The Delegated Fund will be administered by the Programme Manager following approvals of applications to the Fund by the PMG

For **Project Appraisal** of project applications for Small Grants (up to £10k) and Strategic Grants (over £10k) the specific duties of the Programme Manager will include:

*Pre-project approval*, Eligibility check and initial assessment; Preparation of project summaries for consideration by the Project Appraisal Panel at monthly meetings; Attending Project Appraisal Panel meetings (to give information only) on projects for their consideration; Reporting on recommendations re small grants from the Delegated Fund for approval by the Project Appraisal Panel; Reporting Project Appraisal Panel recommendations at PMG meetings  
*Post-project approval by PMG* (grants over £1000) ; Notification to applicants of decisions of PMG on project funding ; Ensuring project compliance with approval and grant monitoring procedures and On-going project support

**Development Workers** - who will be recruited through the Hands on Support project - will undertake the initial assessment of all projects. They will refer those which require specialist or technical support from the Delegated Fund to the Programme Manager, and those which are funding-ready for small grant or strategic grant, to the Project Appraisal Panel. They will offer development support to non funding-ready projects, including referrals for other potential sources of grant and loan finance through the Rural Enterprise Gateway, other local authority grants, trusts, lottery and community finance initiative grants and loans . Recruitment and training of these two development workers will be one of the early Year One projects to be commissioned.

**Project Appraisal Panel** will be drawn from the PMG and will meet monthly, either face to face or through e-communications. It will consider small grant applications under £10k on a monthly basis, and strategic grant applications (over £10k) on a quarterly basis. The Project Appraisal Panel will consist of 3 members of the Programme Management Group (LAG), and 2 Programme Stakeholders who have knowledge and skills relevant to the programme. Additional knowledge, skills or expertise may be drawn in from the Consultative Advisory Group as required by the Panel. The Programme Manager will attend all Panel meetings and will prepare project summaries for the Panel's information, but will take no part in the Panel's recommendations to PMG on project approval or rejection.

## F 6 Local Governance

Local governance structures within the area are well established although linkages between structures is weak. The membership of the LAG Partnership and this LDS have been developed from an assessment of strategic priorities, with aims address weaknesses and:

- build stronger links between sub regional and local community planning and development processes.
- increase links between market towns and their rural hinterlands.
- extend the success of the current LEADER+ programme and joint AONB working, learning from good practice and building on opportunities arising
- ensure complementarity with existing local governance structures and to build linkages with other, multi-agency partnerships: for example, The Neroche Landscape Partnership, East Devon Tourism Group, Somerset Equalities Partnership and others

## F 7 Inter-territorial & Transnational Co-operation

The National Association of AONB's offers an opportunity to develop collaboration projects with other AONB's engaged in Local Action for Rural Communities. The BHED LDS identifies issues and opportunities of common interest with potential partner AONB's most notable being the high landscape and natural resource level and their roles in the benefiting the local economy.

Contact has been made with a number of AONB's engaged in Local Action and RDPE and proposals for joint working have been discussed with those highlighted in italic. *Causeway Coast and Glens Heritage Trust (Antrim Coast & Glens, Causeway Coast AONB (and WHS), Binevenagh AONB, Sperrin AONB)*, Cornwall AONB, Dorset AONB, Nidderdale AONB, North Devon AONB, *North Pennines AONB*, South Devon AONB, Shropshire Hills AONB, *South East Protected Landscapes*.

Locally, we hope to continue strong links with LAGs across the South West, with who the current programme has built good collaborative working. The programme will build on links developed through the Blackdown Hills Leader + programme with

Alimenterra, the Europe wide sustainable food producer's network, who have expressed strong interest in the BHED programme, along with Somerset Levels and Moors Programme. This link will be further strengthened through work with partners in Hungary, who have approached the programme, to develop joint working on local food markets. Chalk and Cheese in Dorset have discussed a project under the sustainable tourism theme, working with the Jurassic Coast Gateway Communities Group. The cooperation across the two LAGS will develop projects with gateway towns and within the coastal corridor addressing the priorities of the sustainable rural tourism and local enterprise in the local development strategies:

The *Making it Local* programme intends to build on links developed through the Blackdown Hills LEADER + programme with Southern Ireland, through The Blackdown Hills Hedge Association who are developing co-operative actions with the National Hedge Laying Society of Eire. If successful, the programme is keen to build collaborative links, in particular with woodfuel and other environmental programmes across Central Europe.

## G. OUTCOMES AND OUTPUTS

The BHED LAG will achieve the following overall outcomes:

- Outcome 1: Raised business performance
- Outcome 2: Increased local employment
- Outcome 3: Increased connections and numbers of productive networks
- Outcome 4: Increased business activity linked to environmental resources

### G 1 Baseline and Outcomes

Table 27 outlines the baseline position from which each of the LDS objectives will operate. Where possible the baseline position is quantified using existing data sources though, should this bid be successful, extensive work would be undertaken in order to set an appropriate baseline at the start of the project. This is outlined in the chapter related to monitoring and evaluation. In addition, we have not sought to quantify the outcomes expected at the end of the funding period but simply to comment on the direction of travel. Again, should this bid be successful, considerable work would be undertaken to ensure that outputs and outcomes related to the strategy were appropriately and realistically quantified.

**Table 27: Local Action Strategic Objectives, Baselines and Outcomes**

Strategic objectives	Baseline position	Outcomes at the end of the funding period
<b>A: Raise Business Performance and Local Employment</b>	<ul style="list-style-type: none"> <li>▪ Low business productivity per head (63% of UK average in East Devon)</li> <li>▪ Low levels of business start-ups (DR Survey) and pre-start ups (pre-start businesses amounting to just 3.5% of total businesses in the BHED area compared to 4% in Devon – Business Link)</li> <li>▪ Poor commitment to business planning (DR Survey)</li> <li>▪ Low levels of innovation (DR Survey)</li> <li>▪ Low investment in training leading to skills gaps and shortages (DR Survey)</li> <li>▪ Poor market knowledge (DR Survey)</li> </ul>	<ul style="list-style-type: none"> <li>• Increased productivity per head</li> <li>• Increased levels of pre-start businesses and business start ups</li> <li>• Increased commitment to business planning within businesses assisted</li> <li>• Increased levels of innovation within businesses assisted</li> <li>• Increased investment in training within businesses assisted</li> <li>• Improved market knowledge within businesses assisted</li> </ul>
<b>B: Connecting Communities</b>	<ul style="list-style-type: none"> <li>▪ Low levels of cooperation and networking (DR Survey)</li> <li>▪ Poor access to services in some areas (28 LSOAs within bottom 20% nationally – IMD)</li> </ul>	<ul style="list-style-type: none"> <li>• Increased attendance at cooperative networks</li> <li>• Increased number of cooperative networks</li> <li>• Fewer LSOAs within bottom 20% nationally for IMD in relation to Access to Services</li> </ul>
<b>C: Optimise Sustainable Local Resource Use</b>	<ul style="list-style-type: none"> <li>▪ Outstanding natural beauty in landscape</li> <li>▪ Very high levels of natural resources eg. Wetlands, heathlands, geological sites</li> <li>▪ Over reliance on declining manufacturing sector putting local economy at risk</li> <li>▪ Low levels of interaction between tourist-focused coastline and agricultural inland areas</li> </ul>	<ul style="list-style-type: none"> <li>• Increased sustainable tourism businesses operating within the area</li> <li>• Increased sustainable tourism activities operating within existing businesses</li> <li>• Increased tourist bed nights spent within area</li> <li>• Increased use of new and sustainable resources within non-tourist businesses</li> <li>• More environmental activity related to the arts, culture and heritage</li> </ul>

## G 2 Benefits to Rural Communities

According to DEFRA guidance, the 'intervention logic' model of evaluation establishes the causal chain of impact from the budgetary input, via the output and results of measures to the resultant impacts.

**Raised Business Performance:** if successful, this LDS will raise the performance of businesses operating within the BHED area. This raised performance will be quantified by increases in value added to the economy as well as other factors including increased levels of training, innovation, business planning and market knowledge.

**Increased local employment:** this strategy will also provide new employment opportunities for local people within non-declining sectors that can benefit directly from environmental resources such as food and drink, tourism and the creative industries.

**Increased connections and numbers of productive networks :** Through increased connection between local people and local businesses, access to key local services will increase, new renewable technologies will be developed and local businesses will meet together regularly through cooperative networks to share good practice and work collaboratively.

**Increased business activity linked to environmental resources:** this strategy will increase business activity linked to environmental resources within the area. This activity will include harnessing the value of the local environment as a product and thereby promoting the arts, culture and heritage. In addition, new and sustainable uses of existing natural resources will be encouraged as well as increased sustainable tourism, recreation and access. This increased activity will be evidenced by increases in the value added of local businesses to the area's economic output, increased numbers of new businesses and increased numbers of business developing new environmental products and processes.

## G 3 Outputs

The table below shows outputs in the form asked for. These are based on realistic (and slightly conservative) estimates, worked through the activity themes and based on BHED development work and consultation. Figures for the whole programme are indicative and will be refined within delivery planning.

**Table 28: Output Indicators (Aggregated)**

Code	Measure	Output indicators	Targets Year 1	Targets 1 - 6
311	Diversification into non agricultural activities	Number of beneficiaries	3	45
		Total volume of investments (£m)	£11k	£225k
312	Business creation and development	Number of micro enterprises supported/created	56	370
313	Encouragement of tourism activities	Number of new tourism actions supported	4	30
		Total volume of investments (£m)	£44k	£500k
321	Basic services for the economy and rural population	Number of supported actions	3	12
		Total volume of investments (£m)	£7k	£265k
322	Village renewal and development	Number of villages where actions took place	3	30
		Total volume of investments (£m)	£20k	£285k
323	Conservation and upgrading of the rural heritage	Number of rural heritage actions supported	4	20
		Total volume of investments (£m)	£21k	£166k
331	Training and information	Number of participating economic actors to supported activities	35	700
		Number of days of training received by participants	70 (2x35)	1400 (2x700)
341	Skills acquisition, animation and implementation of local development strategies	Number of skills acquisition and animation actions	8	45
		Number of participants in actions	72	700
		Number of public private partnerships supported	4	12
421	Co-operation activity	Number of supported co-operation projects (division according to the level of co-operation—interterritorial or transnational and according to each of the 3 axes)	2	5
		Number of cooperating LAGs (division according to the 3 axes and to the level of co-operation)	3	9
431	Running costs, skills acquisition, facilitation/animation	Number of actions supported (division according to the type of skills acquisition and animation action)	10	45

## H. RISK ASSESSMENT

This risk assessment is based on the template used by Devon Rural Renaissance; a similar process will be used for projects applying to 'Making it Local.' Overall, the Shadow LAG is committed and ready to take action should the bid be successful. Members have show real enthusiasm and understanding of the development process and want to see the work begin. There is scope to buy time form existing LEADER+ staff (who are currently only part-time)in the first few months to create a continuation 'package' and ensure deliverability.

**Table 29: Risk Assessment**

Risk	Likelihood	Impact	Sensitivity	Mitigation/Possible Solution
<b>Overall Scheme</b>				
Funding bid scaled back, by up to 50% of RDPE	Medium	High	High	Identify high priority projects with most local and economic impact. Seek increased match funding and consider more collaborative methods of delivery if support workers lost.
Key Staff not recruited in time	Low	High	High	LAG and partners find other mechanisms to being delivery of programme; outputs and funding are scaled back.
Outputs not achieved	Low	Medium	High	Outputs are realistic created through local consultation. Continual monitoring of outputs by Programme Staff.
Slippage on delivery timetable	Medium	High	High	Outline timescales agreed with partners; review delivery plan and any changes to be agreed with SWRDA/DEFRA.
Programme not achieving local results, impacts, outcomes	Medium	High	High	Monitoring and evaluation will catch this if it happens. Changes will be made to delivery if needed.
Matched funding not available	High	High	High	The LAG and Staff aware of all funding sources and other additional sources if profiles show the need.
Funding profile differs from that approved	Medium	Medium	Low	Ensure good project monitoring. Reprofile to be actioned and approved in a timely way to ensure compliance.
<b>Environmental</b>				
Projects cause a negative environmental impact	Low	High	High	Environmental impact and sustainability will be considered as part of the appraisal process.
Projects seen as being detrimental to AONB status	Low	Medium	High	Projects will be assessed against AONB Management Plan objectives.
Benefits appear to be going outside area	Low	High	High	Identify issues through appraisal process to ensure benefits to area demonstrated.
Projects cause a major controversy	Low	High	High	The LAG and appraisers will identify potentially controversial projects. PR will be employed if needed to mitigate effects.
<b>Legal / Compliance</b>				
Project breaches State Aid rules	Medium	High	High	Eligibility checked during development and appraisal. Staff trained and specialist help bought in as needed. Block exemptions are considered.
A funded project is found to be illegal	Low	Medium	High	Compliances checked at appraisal. Clawback clause in contract.
Funded project doesn't obtain planning or other legal consents	Medium	High	High	Development and appraisal process checks this.
Partners do not sign up to Partnership	Medium	High	Medium	Establish a mechanism of how to fund projects fairly.
<b>Technical</b>				
Evaluation and monitoring systems do not work	Low	High	Low	Systems modified to ensure effective.
Targets not met	Medium	High	High	Monthly reports to monitor progress scrutinised by LAG and appropriate actions taken.
Lack of project development	Low	High	High	Increase awareness of programme; engage stakeholders and wider community for project development.
Slippage	Low	Medium	Medium	Identify alternative sources of funding for projects that are currently in development. Address reasons for slippage.
Balance between different types of projects not achieved	Medium	High	Low to Medium	Development Workers focus on areas not being covered. Check outputs and brief LAG on action.
Project achievements are mainly deadweight or displacement	Low	High	Medium to High	Review project selection criteria with Development Workers and review their work priorities.
Project appraisal needs specialist knowledge	Low	Low	Low	Develop and use a bank of trained assessors /specialist assessors from partners' organisations if necessary.

Financial / Economic				
LAG carries out a ineligible activity	Low	Low	Med	Partners and Programme staff are made aware of ineligible costs. Finance manager ensure eligibility.
Budget overrun	Low	High	Medium	Budgets to be continuously monitored/adjusted.
Project ineligible expenditure is incurred	Medium	Medium	Medium	Inception meeting with projects to highlight ineligible expenditure. Compliances checked at appraisal. Clawback clause in contract.
Accountable body unable to continue	Low	Medium	High	LAG to negotiate new agreement with appropriate body and to consider alternative legal structures.
Projects fail to spend to profile	High	High	High	Trained appraisers ensure projects input realistic profiles. Early clawback of revenue underspend to assign to quick win projects.
Management and Staffing				
Management costs exceed those budgeted	Medium	High	High	Seek additional sources of match funding. Reduce costs.
LAG and other Partners not fully engaged	Low	High	High	Improve communications systems and processes clear for decision making and involvement.
Wider community and Stakeholders not engaged	Medium	High	High	Communication strategy in place and successes publicised locally
Balanced partnership not maintained	Low	Medium	Medium to High	Establish causes and seek alternative partners. Review partnership management and engagement.
Relevant information, e.g. monitoring, not received	Low	Medium	High	Withhold funding until satisfactory information received. Provide support to enable claims etc to be done.
Lack of commitment from partners	Low	Medium	Medium to High	Prioritise and lower programme management costs. Greater emphasis on partners for project development.
Failure to recruit Manager and other staff	Medium	High	Medium	Reconsider scale and responsibility of job. Consider possibility of job being delivered by an alternative method.
Lack of expertise in staff and appraisers	Low	Medium	Medium	Key consideration in the recruitment process. Provide training if required.
Lack of support for key staff	Medium	High	High	Ensure line management process in place and regular appraisals identify need.
Resignation of key staff	Medium	Medium	Medium	Review and revise staffing/workloads and potential for support available from Partners or existing staff.
Long-term leave. E.g. Sick, maternity, etc.	Low	Medium	Medium	If expected leave is significant, provide temporary replacement i.e. maternity/sick cover, use of consultants.

## I. EVALUATION

Should this bid be successful, a full monitoring and evaluation plan will be developed. This will be based on DEFRA guidelines for the on-going evaluation of rural development programmes 2007-2013 and systems will be SPAG compliant. Key requirements of the programme monitoring and evaluation are:

- Influencing programme development and planning cycles – measuring efficiency, effectiveness and relevance to inform future programme direction.
- Using robust baseline indicators, so that counterfactuals can be established;
- Independence;
- Providing accountability and transparency to the SWRDA and accountable body;
- Inform the public and in particular the Blackdown Hills and East Devon Community of the impact of the programme and celebrate it's successes;
- Sharing learning across the programme and with other LAGs.

Bearing these principles in mind, the key elements of the monitoring and evaluation plan will reflect the chosen output and outcome indicators of the programme. At an overall level this will include regular project and programme monitoring of outputs and financial progress in line with SWRDA requirements. At a project level care will be taken to adhere to the following:

- Development of robust baseline information and indicators;
- Output and financial monitoring;
- Yearly progress reporting in terms of wider impacts, lessons learnt and process;
- End of project evaluation

At a programme level monitoring and evaluation will include:

- Build upon the evidence base within this LDS to develop a robust, measurable baseline position
- Annual review of programme effectiveness and relevance to inform future direction and development of annual delivery plans;
- A mid-term evaluation that looks in more depth at the programme's progress, in particular focusing on early impact, process efficiency and future direction;
- A final evaluation.

In the current Blackdown Hills LEADER+ programme, a qualitative evaluation carried out towards the end of the time period, to help assess future direction. The data from that work has been used extensively to inform this strategy. It is anticipated that a similar evaluation like that would be commissioned to further embed learning for the LAG and the local area.

## J. EXIT STRATEGY

The underlying principle of this strategy is to develop local capacity and enable sustainable networks to be established and self supporting by the latter period of the programme. The concept is for free standing networks, developed through local activity and interaction that have within them self or specialist helpers, mentors or aides. These individuals, groups and networks will have begun to develop the confidence to access resources to support local organisations as a result of increased business confidence and understanding that enables a path towards sustainable economic growth in the area.

The LAG and local authority partners also aim to use the programme period to develop a **stand alone organisation** for the area, exploring the appropriate legal structure (e.g Community Interest Company or Limited Liability Partnership) that will act as a hub for the established networks and work with existing and newly formed partnerships to continue to support local action and collaboration across the joint area. There is already considerable desire and momentum for this to be put in place

The new body would seek to act as a **locally representative organisation with a sub-regional identity** and a profile that is seen to strongly complement the activities of the existing partnerships, agencies, local authorities and stakeholders alike in rural development. The LAG will draw on examples from collaborative activities undertaken during the delivery of the LDS in developing the processes for this exit framework.