

Somerset Rural Renaissance Programme

SOMERSET RURAL BUSINESS SUPPORT SERVICE

REVIEW OF RECIPIENTS OF THE SERVICE.

Final Internal Review & Recommendations

Paul Philpott ADO

*This document should be read in conjunction with a separate report on the partner organisations prepared by an external consultant.

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1 INTRODUCTION

A Brief Background to this Report

- 1.1 This report is intended as an end of programme internal review of the Somerset Rural Business Support Service (SRBSS).
- 1.2 SRBSS is a scheme managed by Somerset Rural Renaissance which in turn is funded by the South West Regional Development Agency. SRBSS made provision for the employment of four Agricultural Development Officers (ADO's), based within four of the five District Councils of Somerset. Mendip, the remaining District Council used their market towns team to field enquiries, which were signposted to the ADO team for follow up action as required.

Scope of review

- 1.3 This internal review covers the following areas:
 - The service provided by SRBSS and outputs achieved
 - The service required to meet the needs of the rural economy, over and above the service provided by the Rural Enterprise Gateway (REG) .
 - Options and recommendations for the future of the service.

2 CURRENT POSITION

1.4 This section provides a summary of the views of those consulted on SRBSS. Additional material has been obtained from documents including the initial funding proposal, external evaluations and monitoring information collected by the SRBSS team.

Background to the Development of the Service

1.5 SRBSS was established under the Rural Renaissance Programme which operated between March 2006 and March 2008.

1.6 The main purpose of the project was 'to provide free, impartial and objective advice to the Somerset farming and land based community and linked businesses.' The project recognised the severe decline in agriculture and the need for dedicated support to overcome the issues faced such as the decline in farm incomes, a general decrease in employment and the trend for increased part-time employment.

1.7 The Rural Renaissance objective for the project was:

To provide an agricultural and rural business support programme across the County of Somerset offering:

- "Quality agricultural / rural business guidance and support"
- "Signposting to additional rural business support"
- Creating access to training, skills and development"
- Assisting in the creation of rural networks and co-operatives

1.8 Outputs identified at project proposal stage were as follows:

Outputs	Year 2	Year 3	Total
Jobs safeguarded	50	50	100
Employment support	10	10	20
Business creation	10	10	20
Business support	500	500	1000
Skills development	50	50	100

1.9 A mid term review of SRBSS which reported in August 2007, indicated achievement on outputs for the Rural Renaissance programme.

Skills development proved to be a successful component of the programme, with the final output target achieved by Quarter 1 (July 2007). As a result the target was revised upward from 100 to 200 to reflect the position of the Programme. This target was again exceeded, with a final output total of 205.

Businesses receiving advice and support totalled 245. This figure was significantly lower than the projected output. This reduced output reflected a range of contributory factors:

- The two year programme was delayed by six months, whilst State Aid status was determined at the request of the SWRDA. It was determined that the programme was State Aid exempt.
- This delay meant that Sedgemoor did not begin to recruit until funding was in place. The Sedgemoor ADO was not in post until 12th February 2007, with consequent resource implications for the team.
- The West Somerset and Sedgemoor ADO;s left their posts during quarter 2 of 2007. The West Somerset ADO took voluntary redundancy and could not be replaced. Given the remaining duration of the programme, Sedgemoor District did not recruit a replacement. Following a collective decision of the management group and a revised outputs schedule, two ADO's continued to provide a county wide service across five Districts for the final seven months until March 2008.
- A two year gap in grant support between the ERDP and the RDPE Schemes (partially addressed by the Somerset Workspace Scheme), saw a significant decrease in business development enquiries.
- The foot and mouth outbreak in 2007 prevented farm visits for a number of weeks.

As a result, the targets agreed for the output of Business Support were revised to a total of 500 to reflect the position of the Programme.

The Service Provided by SRBSS

- 1.10 SRBSS is recognised as providing a dedicated, face to face, impartial service for people working in land based and agricultural industries. The service was provided by up to four ADO's directly to individuals or groups either through visits to the farm and/or support and information provided from the office base.
- 1.11 The activities of SRBSS are reflected in the type of activities the service has become involved with since its inception:
- Core business support including financial analysis of business plans.
 - Diversification and income generating options
 - Training and skills development
 - Planning applications and wider planning issues
 - Specialized interest sectors ie: equine tourism and local food networks
 - Environmental issues / stewardship options.

- 1.12 The work of the ADO's is focused principally on support and advice for rural businesses. Advice can range from core business development through to diversification opportunities. Planning issues form an increasingly significant component of the workload.

Examples of individual Rural Businesses SRBSS have worked with

Dubonni Cider Farm,

Lympsham BS24 OHA

Diversification and development of a traditional cider farm

01278 751 401

Mr Ian Gibson has undertaken a substantial and impressive development of his cider farm to include fishing lakes, a retail outlet and a training centre. The lecture facilities are now used by training providers on a broad range of rural subjects.

The fishing lakes can host match fishing competitions whilst also providing facilities for recreational anglers. The farm continues to produce its own cider, which is retailed through its own farm shop.

Advice has been sought from the ADO throughout the evolution of the business. The expanded enterprise can be viewed at www.ciderfarmlakes.co.uk.

Sparks family, Perry Elm Farm, Wellington.

Development of a farm shop

01823 663680

The family has an established retail potato business and wants to expand this into a full farm shop enterprise. Advice sought from and given by the local ADO - on the fundamental viability of a farm shop enterprise, likely market potential and local competition, suitability of proposed buildings, likely planning issues, business training available, grant funding possibilities etc.

Phil Thorne, Waterrow,

Goat milk enterprise development

07900 991463.

Mr Thorne is establishing a goat milking business, to provide milk for goats cheese production. Permission has been obtained for erection of some buildings but further progress was being hampered by local objections, much of which arose from misunderstanding. Prior to an Appeal, advice was sought from the ADO on the best way

to proceed. Much discussion helped Mr Thorne identify the priorities and clarify his approach to the Appeal process - the result of which was eventual success for him and a clear way forward for his developing business.

Brandon Jeffrey,

Nerrols Farm, Cheddon Fitzpain,

Diversification into a children's fun farm

01823 270289

Mr Jeffrey is establishing, within his core farming operation, a Fun Farm for children up to 10 years old. He offers a range of activities, amusements and entertainments, including farm animals to see and interact with, and the ADO has provided advice and help over several months. Particularly, help has been given with demands by Development Control (Planning Officers) for detailed information re car parking, safety, access, site layout and detailed drawings/plans.

Jane Harris,

Dairy House Farm, Stoke St Mary,

Diversification into a beauty salon

01823 444888.

Mrs Harris wants to establish a beauty salon at her home. She has a small barn which she would like to convert for such use and has impressive plans for additional tanning and hot-tub facilities, all enclosed by a tasteful conservatory with hot-house plants, ferns, palms and so on. She sought advice from the ADO regarding planning permission, ideas for marketing and promotion, and the general feasibility of the business model.

Horton Cross Farm,

Horton, Ilminster TA19 9PT

Diversification into business units and a community / catering facility.

01460 52854

Mr Andrew Osborne diversified from mainstream agriculture with a substantial redevelopment based principally on the creation of business units. Additional social benefits are to be provided through the conversion of a redundant milking parlour to a catering and community facility. Advice has been provided by the ADO throughout the process. A grant to support the development was awarded by the Rural Renaissance Workspace Scheme. The ADO was a member of the Workspace Panel that recommended approval of the grant, and was in support of the planning applications when submitted to South Somerset District Council.

Mr Osborne is now at the point of letting the business units. The community facility is at present the subject of a planning application

Parklands Fish Farm,

Marsh Lane Henstridge

Development of a fish breeding enterprise.

078999 24845

The owner Mr Andrew Parker has been running a fish breeding business at this location since 2004.

He wishes to develop the business but found a planning application for a temporary dwelling refused on the grounds of lack of justified need.

After discussions with the ADO it was ascertained that the applicant was intending to introduce a hatchery once he was located on site. Management of the hatchery did provide sufficient justification for a resubmission of a planning application for a temporary dwelling. This was supported by evidence from eight major fish breeding enterprises in the South seven of whom had staff located on site and one adjacent to it.

This type of enterprise and the associated management requirements were unfamiliar to the Planning Officers. The ADO provided evidence and support for the planning application, which is currently under consideration.

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- 1.13 ADO's also provide assistance in networking projects and group work. They have assisted in the development of initiatives that are wider than single businesses. Examples include The Somerset Land Economy group, The Somerset County Orchard working Group, and the Rural Renaissance Workspace Scheme

Examples of Rural Groups SRBSS has worked with

"Taste the Harvest", September 25 & 26, 2007.

Brief summary of the event

Mark and Julie Pope, and Rob Walrond, invited 800 local school children to Mark's farm at Staple Fitzpaine near Taunton, on September 25/26th. The aim was to strengthen the links between farms, local food production and the meal on our plate. The children saw, heard, felt and smelt a real farm in action - the ploughing and cultivation, the sowing and nurturing, even the harvesting and some of the processing. They saw the machines, their complexity and the skills needed to operate them successfully. They learned how the weather plays such an important part and how the farmer needs to anticipate and work with it.

They saw and understood the journey from the harvest field to the processor and the packer, and also participated in the final link - the cooking, preparation and presentation of

food. They watched and enjoyed the enthusiasm of local chefs, who helped the children cook their own lunch, from local produce of course.

Lastly but just as importantly, the children took back to the classroom not just the experience of the day but ideas to link it with the curriculum and lesson plans. It's not just biology on the farm, but maths, chemistry, sociology, history and lots more! - a learning experience on a grand scale. Also, each school group planted a plot of wheat which they themselves will nurture to harvest next year. The grain will be collected, ground into flour and the children will use it to cook their own bread and biscuits. From plough to plate by their own efforts! TDBC contributed with small cash prizes for the schools for a competition linked with these plots.

Spreading the word over the 2 days were BBC Radio Somerset Sounds, local TV News, Farmers Weekly and the local press. Mark and Rob were particularly gratified by the help local people gave them on the day - over 100 folk and many of them local farmers keen to contribute to a worthwhile idea. A huge effort, a year in the planning, and a fantastic result for the exalted place farming now occupies in many young minds. Much of this information and enthusiasm must have been shipped back home to mum and dad, resulting in more positive good achieved for our farmers and the "value of local food" than any £multi-million TV campaign.

Contribution by the ADO

The event was not only very successful in itself but it generated much positive PR for our industry, local farmers and farming. Taunton Deane's ADO was able to support and contribute from the start - advising and helping through the planning stage, providing contacts and ideas, organising a small grant towards costs, locating some of the equipment needed for the event, helping with the considerable setting-up process a few days beforehand, and contributing "on the day" as a guide for the groups of children.

Footnote

It is satisfying to see that, at last, the public sector is realising the value of buying locally. The MLC (Meat and Livestock Commission) tell us that more than a third of local education authorities are now sourcing their meat from local suppliers, for school meals. This surely is aided-and-abetted by the children themselves getting enthusiastic about local farms and local foods and telling mum and dad about it. According to the experts, the demand for local food is set to burgeon, with it now at the top of more shopping lists than organic or even Fairtrade. The efforts of Staple Farm (this was their 2nd such event) and many like it across the country, is surely helping this welcome change in consumers' attitudes.

Taunton Deane Interest / Discussion Groups.

With the help of small grants from REG, the ADO at Taunton Deane Borough Council has established a number of “special interest” and discussion groups for local farmers. The aims of these groups are simple -

- 1) to enable local farmers to meet and talk
- 2) to enable the sharing of ideas to help the growth of existing business and the development of new business ideas
- 3) to develop business skills and learn new ones through a series of workshops or visits to which appropriate tutors/experts are invited.

To date, four such groups have been established - The Better Business Group, the Monument Dairy Group, the Easy I.T. Group, and The Quantock Sheep Group.

The Quantock Sheep Group is a good example of the type. It has currently 24 members, from all over the Deane and a little beyond, with flock sizes varying from 30 to 600. All local sheep farmers are welcome on the basis that we can learn something from everybody, no matter how big or small their sheep enterprise. Each member pays a small annual contribution towards the cost of speakers, visits, refreshments at meetings and so on. TDDB also contributes a small amount particularly to help cover some speakers' fees. The group meets about 6 times a year from May to December (avoiding lambing-time from January to April). The meetings are a mix of activities and include discussions or presentations from acknowledged specialists and experts, visits to sheep farms of special interest, and outings e.g. to national sheep shows and experimental husbandry farms.

To date, the programme has been varied and has included:

- a talk by Lesley Stubbings, nationally well-known sheep consultant, on cost-effective parasite control and pasture management
- a talk by a local homeopathic vet on the use of homeopathy in sheep husbandry
- a talk on “benchmarking” in lamb production, by John Carter
- a talk on ram EBVs by EBLEX
- a visit to “Sheep 2007” at Malvern
- a visit to a sheep farm which is run single-handed and uses “drift-lambing” techniques
- a talk by a homeopathic vet on the homeopathic control of Bluetongue
- a talk and farm walk with sheep consultant Lesley Stubbings, learning about condition scoring
- a visit to the National Institute for Grassland Research at Oakhampton
- a talk by a professor from Bristol Vet School, on managing the increasing problem of nematicide resistance
- a visit to a large Exmoor sheep farm to see new ideas in extensive, low-input production
- an on-farm demonstration event looking at the practical implications of sheep lameness

Initiatives planned for the future include another talk from Lesley Stubbings, a visit to Sheep Farmer of the Year 2007/8 near Exeter, and a serious look by members at how the group might combine their resources to improve production and marketing.

Having established these groups, the ADO organises the meetings, speakers, visits, produces all the paperwork and minutes, and “runs” the meetings.

Taunton Deane Special Interest Groups May - November 2007

3 “special interest” groups - I.T. group, Quantock Sheep Group, Better Business Group.

I.T. group - an annual series of workshops

Started November 2003. Meets every winter, weekly, for a 12-week workshop - learning, discussion and application. Covers all aspects of I.T. from word processing to farm accounts to using the Internet. Some 60 businesses/participants to date. 2007 workshops start 16 November - a further 24 delegates.

Quantock Sheep Group

Started June 2005. Meets 4 times a year between June and December. 24 members, all local sheep farmers. Visiting speakers, farm visits and discussion. 9 meetings so far, covering worm control, benchmarking, ram EBVs, anthelmintic resistance, homeopathic treatments, four farm/EHF visits. 2007 meetings have been limited by Foot & Mouth restrictions. Next meeting 15 November 2007, homeopathic control of Blue Tongue.

Better Business Group

Started December 2005. Meets bi-monthly, 15 members, all local farmers or rural businesses. Visiting speakers and discussion. 10 meetings so far, covering topics such as business planning, frameworks for business, low-cost advertising, business websites, branding, effective merchandising, local promotion. 2007 meetings have been hampered by F&M restrictions. Next meeting 14 December 2007, a workshop “Winning Effective Editorial”.

One-off workshops have included:

“Marketing for Profit”)
“Employing & Managing People”) both a 2-day programme

“Advertising & Promotion”
“Successful Product Presentation & Promotion”
“Assessing the Feasibility of a New Business Idea”
“Effective Control of Mastitis”
“Foot Care in the Dairy Cow”

- 1.14 Signposting and networking with other agencies and organisations is a significant aspect of ADO’s work, helping farmers link to other relevant services and enabling other agencies and organisations to connect their services to farmers.

Signposting and networking agencies

- Business Link (now Peninsular Enterprises)
- Government Office of the South West
- Somerset Food links
- NFU
- CLA (now Country Land and Business Association)
- FWAG
- Leader +
- Somerset Boost
- Somerset Workspace Scheme (now closed)

Links to Other Agricultural Support Schemes

This section should be read in association with the external consultants report.

- 1.15 There are a number of other support schemes in operation at national and local level within Somerset available to land based and agricultural businesses. These services are either specialist or open to members only. None of them are as broad based as SRBSS or provide a free, one to one, direct support service to the sector.
- 1.16 There is no other dedicated sign posting service for land based and agricultural industries in Somerset and this aspect of SRBSS has worked well. SRBSS has contributed to time saving by providing a sieving service before sign-posting clients to other agencies and organizations.

Specialist services

- Farming and Wildlife Advisory Group (FWAG)
- Department of Environment, Food and Rural Affairs (DEFRA)
- Somerset Food Links
- Natural England
- Bridgwater College at Cannington.
- FBAS service provided by Business Link (now closed)

Member organisations providing services

- National Farmers Union (NFU)
- Country Land and Business Association (CLA)

Other related agencies and organisations

- Chambers of Commerce

Links to Other Non Agricultural Schemes and Activities

- 1.17 There are clear links between SRBSS and other non agricultural schemes, activities and services; most directly with District Councils.
- 1.18 The most significant link within the District Council's is with planning departments; as increasingly a significant level of work does involve a planning element. SRBSS also provides links to other council services including environmental health, trading standards and economic development.
- 1.19 Peninsular Enterprises (formerly Business Link) does not have any officers/support services with specialised agricultural knowledge. When it was operational, the Business Link FBAS service, worked in conjunction with SRBSS, providing a service h of complementary strengths. SRBSS Officers and Peninsular Enterprises continue to signpost to each other.

This section will be covered in greater detail in the external consultants report.

Achievements to Date

- 1.20 Many examples of the achievements of SRBSS have been identified during the course of the study. The ADO's have collected information on the work achieved and quarterly reports were provided to the Rural Renaissance Partnership. The information collected was based on contact details of the client, the nature of the enquiry, the action taken and where appropriate the outcome of the enquiry. The training courses list the training provider, the details of the attendees and the nature of the course content. Follow up telephone surveys and client feedback mails shots have endeavored to ascertain the results of advice provided and training and skills received.

Some detailed case study information was collected during December 2007 which provided a more detailed analysis of the outputs of the work of SRBSS.

Examples of Rural Business feedback to SRBSS:

Bower Hinton Farm, Martock TA12 6LH

Development of a Farm Shop

01935 827743

The Palmer family have farmed at Bower Hinton for 160 years. In the changing agricultural climate they wished to open a farm shop to diversify their long established farm business.

Detailed support and advice was given in the completion of a Rural Enterprise Scheme (RES) Grant application. The ADO had previously managed the RES programme for DEFRA in the South East and was able to help produce a strong application, which received one of the very last grant awards before the Scheme closed.

Duncan Palmer has successfully taken this new enterprise forward. His father Patrick Palmer a local Councillor has judged this initiative a great success. Duncan has now been awarded Somerset Life's *Best Newcomer* Award. This enterprise can be viewed on the Rural Renaissance website WWW.SOMERSET-RURAL-RENAISSANCE.CO.UK

Willow basket maker, Fowlers Plot Chedzoy

Expansion of a traditional local craft

01278 450849

Mike Hubbard has been a local willow craftsman for his working life. The business was originally based in a small shed on his property. The ADO assisted with the completion of a grant application to the Rural Enterprise Scheme for a workshop to expand the business and supported the planning application to the District Council.

Mike Hubbard stated in a December phone conversation *'It has gone unbelievably well. After help with the grant application we now have a new workshop that we should be moving into by Christmas. It would have been extremely difficult without the ADO's help and would have taken at least twice as long. I would definitely use the service again'* The ADO facilitated the preservation and development of a traditional Somerset craft. Mr Hubbard now intends to take on an apprentice to pass on his skills, and expand the business.

Hectors Farm Shop

The Borough, Wedmore, Somerset.

Skills development.

Tel: 01934 712384

The Sedgemoor ADO arranged for Alan Hector to attend a *New Skills* workshop focusing on employing and managing people, which was facilitated by the Taunton Deane ADO in Taunton during May 2007.

The course was designed around two half day sessions and comprised a range of subjects including staff motivation, managing performance, employment terms and conditions, managing grievances and managing casual workers.

In a follow up phone call in December the Hectors stated that the training advice provided has been invaluable in developing the skills necessary to take the business forward. They would definitely use the service again.

Colin Combern

80 West Street, South Petherton

Development of a cheese / cider enterprise.

01460 242539

The applicant was intending to establish a cheese making enterprise. The ADO assisted in the completion of a RES grant application for the necessary equipment and provided business development advice.

In the event the applicant decided not to pursue that avenue due to environmental health constraints, and is now considering a cider production enterprise. Mr Combern stated *'That it was a great help having assistance with the application forms. A particularly useful spin off was that it helped me to identify other issues to consider in business development. I would definitely use the service again'*.

Perceived areas of overlap with other Agencies.

- 1.21 To date any concern regarding potential for overlap with other agencies has proved unfounded. However, if a broader remit in the future is envisaged, then care will be required to ensure there is no duplication of roles with the service provided by for example FWAG and Peninsular Enterprises. This will be further evaluated in the external consultants report.

Benefits of SRBSS

- 1.22 The key strength of the SRBSS model is that the service operates on a face to face basis, tailored to the individual client's business needs. This ensures optimum use of time and resource for both parties. The independence and impartiality of the advice provided is valued.
- 1.23 Additional benefits identified include assisting entry into bureaucracies (including facilitating access to local authority staff); keeping local authorities in touch with the agricultural industry; access to best practice through the ADO group as a whole; and the provision of individual advice to people who might be unwilling to undertake group work.

Problems within SRBSS

- 1.24 The principal problems identified relate to staffing issues.

Staffing Issues

- 1.25 SRBSS is a time limited service which has contributed to staff turnover and the inability of Districts to recruit replacement staff for the remaining months of the programme. The delay of six months at the start of the programme (to determine State Aid status at the behest of SWRDA) meant that Sedgemoor did not begin their recruitment process until Quarter three of year one, and the Officer was not in post until the 12th February 2007.

The ADO team in fact only had its full complement of staff between February 2007 and July 2007. For the final 7 months, following the loss of the Sedgemoor and West Somerset ADO's, the programme was implemented across the County by only two ADO's, based in Taunton and South Somerset.

Charging for SRBSS services

- 1.26 The idea of charging for SRBSS services was, in the main, not regarded as an appropriate departure from the existing method of delivery. Given the challenges involved in effectively engaging with many rural businesses, It is thought unlikely that they would subscribe to or contribute for the Service.

The Need for SRBSS in the Future

- 1.27 Rapid changes within the rural economy have highlighted the need for farmers to reappraise their businesses and to access help. Many farmers are isolated because of the nature and geography of their businesses. Farming needs its own distinct support service to overcome this isolation particularly in view of the policy climate currently faced by farmers. General business advice is unlikely to meet their specific needs. The need for face to face contact, development work and on-going support is thought to be essential to the industry and the individuals involved.
- 1.28 The speed of change particularly with regard to the Single Farm Payment transition, make the need for specific support essential. There is widespread concern about the impact of these changes and the consequent direct and negative effects on the rural economy and the landscape.
- 1.29 The SRBSS ADO's have continued to develop strong links with the farming community during their years of operation, and the real benefits of the project are now emerging. Maintenance of these lines of communication are essential during the ongoing transition to the Single Farm Payment.
- 1.30 REG does not deal with individuals, and group work does not address the requirements of many of the individuals involved in the industry. Some farmers will need work and advice prior to joining a group and others may never join a group. SRBSS has provided a complementary service to REG. It should be noted, that it is envisaged that REG will continue post March 2008, and be incorporated into a new Peninsular Enterprises programme.
- 1.31 A number of District Councils have the provision of agricultural advice incorporated into their Corporate Plans. This commitment will have to be addressed in some way if SRBSS does not continue.

Summary

- 1.32 This section has shown that the work of SRBSS has been almost universally valued by those consulted as part of this study. Stakeholders have been unable to identify any significant overlaps in provision of services to land based industries between SRBSS and other agricultural advisory and support services. There is a strong view that the one to one contact provided by ADO's should be continued particularly in the light of significant changes that agriculture will experience over the next few years.

However, there are a number of issues that will need to be addressed if SRBSS is to continue to provide a valuable and uniform service to the land based and farming communities in Somerset, notably the provision of a service in West Somerset, Mendip and Sedgemoor Districts.

3 THE WIDER CONTEXT

Introduction

- 1.33 This section scopes the policy context at European, national, regional and local level, identifying the changes being implemented at national/regional level in response to CAP reform. These changes will have a major impact on agriculture in the next four to five years.

CAP Reform and introduction of the Single Farm Payment

- 1.34 Reform of the Common Agricultural Policy (CAP) includes the decoupling of the bulk of subsidies from production. This is intended to ensure farmers become more responsive to market demand as opposed to responding to subsidy regimes. It has been estimated by DEFRA economists that this decoupling should lead to a rise of about 5% in farm incomes compared to 2003.

It was also believed that decoupling would result in less pressure to farm intensively with consequent environmental benefits. However, a world wide rise in food commodity prices (upto 40% in the US) compounded by much higher fuel bills for transport, are at present driven by a range of converging factors:

- International redirection of land use towards biofuel production
- Animal feed demand driven by high income growth and changes of diet in emerging economies
- Recent poor harvests
- A decrease in food reserves
- The growing impact of climate change

As a result farmers in the UK are at present permitted to plough up set aside field margins in an effort to increase food production. This has clearly benefited intensive arable farmers (principally in Eastern England), whilst the livestock sector continues to struggle.

- 1.35 Current subsidy systems are now in transition to the 'Single Payment'. This payment will be a flat rate for each eligible hectare. The change to single payments are being phased in from 10% in 2005, up to 45% in 2008 and finally reaching 100% by 2012. The phasing of this new scheme recognises that farmers need time to adjust to the changes particularly where they are likely to receive a lower level of subsidy in future.

The SFP transition has proved to be a principal driver for many farmers, who are now having to restructure and / or diversify to ensure they have a financially viable enterprise in 2012.

- 1.36 The Environmental Stewardship Scheme continues with an entry level and a higher level payment structure. The scheme was very popular at the outset, but has struggled recently due to a lack of implementing resource and the difficulty of accessing the higher level Scheme.
- 1.37 The exclusion of Orchards from the Single Payment system has finally been addressed with the recognition that this is a vulnerable agricultural sector and important in land use terms. It is believed that growers will now be able to access SFP entitlements from 2009 onwards, subject to registering with the Rural Land Registrar.
- 1.38 The Single Farm Payment (SFP) is a land management payment not an agricultural subsidy. There is therefore every likelihood that some farmers will give up productive agriculture and derive their income from the SFP, environmental subsidies and off farm

employment. The implications for land management, landscape and the rural economy of the County have yet to be fully understood.

Sustainable Farming and Food Strategy

1.39 The CAP reforms fit with the Government's Sustainable Farming and Food agenda which identifies the need for reform.

The National Plan outlines investment for:

- The entry-level agri-environment scheme
- Increased resources for Countryside Stewardship
- A new 'whole farm approach'
- Increased finance for the new Agricultural Development Scheme and regional branding
- Increased provision for skills and training
- A network of demonstration farms
- Improving animal health and combating diseases

1.40 The National Plan is translated into a delivery plan at the regional level and is entitled 'Making a Difference'. The regional plan focuses on CAP reform as the single biggest influence on the food and farming industry. Five priorities have been identified for the South West:

- Knowledge
- The food chain
- The environment
- Broadening the economic base
- Human and animal health

The Rural Enterprise Gateway

1.41 The Rural Enterprise Gateway had operated initially from October 2004 until March 2008 and addressed the Regional Delivery Plan ('Making a Difference') element of the Sustainable Farming and Food Strategy. The object was to implement a region-wide rural business development service. "The service is designed to give rural businesses access to the widest possible range of research, information and advice, and at the same time help them to make best use of those resources facilitating group activity. The aim is to integrate all of the many existing sources of information and advice, not to duplicate them."

- 1.42 The Rural Enterprise Gateway Scheme is managed by Peninsular Enterprises (previously known as Business Link) and comprises two key elements:
- Level 1: The provision of an Information Gateway which will be ICT based and available by telephone. This provided a single easy access point of entry for all land based and agricultural businesses
 - Level 2 : Targeted groups or clusters of agriculture or land based businesses
 - Businesses participating in group development have had access to specific funds for training and other group development needs.
- 1.43 REG funding was due to finish in March 2008. It is however now anticipated that a further one years funding will be put in place to ensure continuity until the new programme is launched. It is understood that REG will play a part in the new funding programme over the following 6 years, but details have as yet to be confirmed.

DEFRA Learning, Skills and Knowledge Review

- 1.44 The final report of the DEFRA Learning, Skills and Knowledge (LSK) Review was launched in February 2004.
- 1.45 Key points from the study:
- Many businesses do not know where to go for help. The range of publicly funded support services with different access points creates confusion for potential customers
 - Some businesses - particularly in traditional sectors or in remoter areas - have no awareness of the range of support services on offer
 - The quality of advice services is variable, and sometimes fails to meet the real needs of the customer
 - The supply of learning provision must be relevant to rural business requirements and its delivery improved
 - The current proliferation of technical advice to farmers must be rationalised and the ownership of the advisory function and associated funds located in a single place
- 1.46 The need for a rural business support service, engaging outside the confines of agricultural sector is highlighted in the Action Points of the Review:
- The intention “Starting in 2004/05, to make improvements to the Farm Business Advisory Service .” , Has now resulted in regional restructuring for rural business support and a re launch of Business Link in the region as Peninsular Enterprises.
- Building on the LSK review, DEFRA continue to work with Lantra on the provision of and demand for skills training and development for rural businesses.

The 2004 Rural Strategy

- 1.47 The 2004 Rural Strategy identified Government priorities for rural policy over the course of the next 3-5 years as:
- Economic and social regeneration
 - Social justice for all
 - Enhancing the value of the countryside
- 1.48 There are a number of elements within the Strategy are relevant to agriculture. Of significance for SRBSS is the intention to improve business advisory services available in rural areas and to put in place learning measures to deliver the Strategy for Sustainable Farming and Food. The need for increased learning opportunities for rural businesses links with the proposed action in the DEFRA Learning, Skills and Knowledge Programme.
- 1.49 The main reform for delivery within the Strategy with a potential impact on a future advisory service is the need to ensure that the 'national network of advice and support provided through various agencies and providers meets the needs of rural businesses.'

Agricultural Policy in Somerset

- 1.50 Somerset County Council produced an Interim Rural Review in 2004, which remains their latest rural policy position. The NES (Natural Environment Strategy) should result in a review of some policies, with the land management strategy being of particular relevance. However is not anticipated before 2009.

Implications of the Wider Context for SRBSS

- 1.51 There are a number of implications of this wider policy context for the future of SRBSS:
- Provision of information and support to land based and agricultural industries to aid understanding and interpretation of changes in policy
 - Information and advice on how to make appropriate modifications for business survival in the light of the policy changes (diversification, joint projects etc.)
 - Support to farmers leaving the industry as a result of financial and policy changes
 - Sign-post land based and agricultural businesses to learning and training opportunities, connecting recipients to one to one support
 - Provision of an rationalised advice system that meets with the Government's agenda; providing 'additionality' and not duplication; and addressing concerns such as the availability of quality advice services to meet the needs of customers
 - Ensure learning provision meets the requirements of rural businesses and improve its delivery

Summary

- 1.52 There is a need for information and support for the rural economy over the next four to five years whilst the major effects of CAP reform are implemented and new directions developed for business activity. The services provided by SRBSS will need to be reviewed to ensure they continue to respond effectively to market demand in the context of Peninsular enterprises anticipated long term commitment to REG.

4 CONCLUSIONS AND RECOMMENDATIONS

Introduction

- 1.53 This report assesses the future direction for SRBSS in the light of the needs of the land based sector, other initiatives including REG and the wider effect of policy changes in the agricultural sector. The following paragraphs set out the conclusions and recommendations emerging from the study.

Future Needs of the Land Based Sector

- 1.54 Responding to the needs of the client group is essential in delivering an effective and well used service. The needs of the SRBSS client base (rural land based and agricultural industries) are:
- Face to face contact to develop a working relationship and trust in the Advisor
 - A site meeting to ascertain the issues that need to be addressed
 - The provision of individual, tailored advice to address the specific needs of a business
 - Follow up work to identify options for changes to the core business, future projects or activities and to signpost to other relevant contacts
 - Provision of support over the coming period to help the industry adapt to the proposed changes in agriculture

Rural Enterprise Gateway and its Relationship to SRBSS

- 1.55 REG and SRBSS address different client groups and have distinct, but complementary roles. SRBSS is likely to meet clients at an earlier stage of development than REG and could well support clients who might subsequently be able to move forward into the REG system. The SRBSS and REG team have worked closely together over the last two years; indeed for a period of time the REG Officer worked as an ADO for Sedgemoor District.
- 1.56 Many business in the land base sector are not ready to use the group or cluster based approach of the REG service without other forms of support and advice. There remains a clear need for one to one, on the farm advice for many rural businesses.

Future Directions for SRBSS

- 1.57 There is a further valuable role that SRBSS could provide given the significant upheaval that is taking place in the rural economy. Two ADO's are now employed by District Councils which will form the nucleus of any future expansion of the team.
- 1.58 The prime role for SRBSS in the future is in relation to one to one work and early contact with land based businesses. SRBSS has established its name in Somerset as an impartial service. In this context SRBSS can continue to provide strong links to REG and the training activities of colleges and other organisations by providing the initial contact, identifying needs and signposting to the service provider.

Implementation

Steering Group

- 1.59 The closure of Rural Renaissance in March 2008 will mean that there will no longer be a steering group for SRBSS. There are advantages in the continuity of a forum to replace the steering group.
- This will continue to provide feedback and intelligence to all Districts in Somerset and to other organisations.
 - It will aim to increase understanding and support from elected representatives.
 - It will provide a basis for expansion of the service should funding for the vacant posts become available.

Day to day delivery

- 1.60 With SRBSS ADO's providing a face to face advice service and the REG Group Facilitator supporting and developing group initiatives, clear working relationships are vital to ensure a co-ordinated service. There are clear distinctions between the work of the ADO's and the REG Group Facilitator. Both services have worked well together over the last two years with regular signposting of clients by both organisations to the most appropriate service.

The Resources Available to Continue SRBSS

- 1.61 Funding is required to continue the SRBSS service in West Somerset, Mendip and Sedgemoor Districts after March 2008. Taunton Deane and South Somerset Districts has both mainstreamed their ADO posts as Local Authority employees, and therefore continuity of service will continue in these Districts.
- 1.62 It is recognised that the original resource of four ADO's cannot be sustained without external grant support, and it may be necessary to have fewer officers covering the County in the future, with implications for the management, employment and organisation of the service.
- 1.63 The alternate option is for the remaining ADO's to continue to cover their Districts. This will remove the County wide remit for the service until funding can be secured to again expand the service to four ADO's.

Monitoring and Evaluation

- 1.64 Monitoring and evaluation requirements have continued to evolve throughout the SRBSS programme. ADO's have been required to provide increased levels of detail to satisfy Rural Renaissance audit requirements.

This has led to some confusion between ADO's, the Steering Group and the Rural Renaissance management team. What is clear, is that effective and prompt lines of communication between the above three parties to this Programme, could have addressed many of the frustrations generated on this matter during the earlier stages of the Programme. Effective lines of communication are now much improved.

Exit Strategy

- 1.65 A strong case has been made for a continuation of the service in view of the ongoing changes in the rural economy. The exit strategy itself is the subject of a separate draft document which has already been circulated for discussion. This has been to avoid duplication or repetition within this review.
- 1.66 Now that two ADO's are employed by their local authorities, the benefits of SRBSS will not be lost at the end of March 2008, when the Rural Renaissance programme comes to an end. There will be in place the basis of a fully functional ADO service, should funding become available for the two vacant posts

Recommendation

- 1.67 Whilst there have been difficulties in delivering this particular programme, the service has been recognised as a valuable resource to the agricultural sector and should be continued.
- 1.68 Alternative structures for agriculture support have been suggested though a central organization such as Somerset County Council or Peninsular Enterprises. However it is recommended that District Councils take responsibility for recruiting staff for rural business support. This will retain a valued Service based on a proven and effective model.

APPENDIX One

List of Consultees

- Agricultural Development Officer, South Somerset District Council
- Agricultural Development Officer, Taunton Deane Borough Council
- Agricultural Development Officer, Sedgemoor District Council
- Ros Wilkins Market Towns Team Leader, Mendip District Council
- Angela Lamplough Economic Development Officer, West Somerset Council