

RIBBLE VALLEY BOROUGH COUNCIL REPORT TO POLICY & FINANCE COMMITTEE

Agenda Item No. 18

meeting date: 28TH MARCH 2017

title: RURAL DEVELOPMENT PROGRAMME FOR ENGLAND 2014-2020

submitted by: CHIEF EXECUTIVE

principal author: CRAIG MATTHEWS

1 PURPOSE

1.1 To receive an update regarding the Rural Development Programme.

1.2 Relevance to the Council's ambitions and priorities

- Council Ambitions – The Council recognises the importance of securing a diverse, sustainable economic base for the Borough. The work of the Rural Development Programme aims to support this.
- Community Objectives – The issues highlighted in this report will contribute to objectives of a sustainable economy and thriving market towns.
- Corporate Priorities - Delivery of services to all.
- Other Considerations – None.

2 BACKGROUND

2.1 The Rural Development Programme for England (RDPE), also referred to at European level as LEADER, is jointly funded by the European Union and the Department for Environment, Food and Rural Affairs (DEFRA). The aims of the programme are to safeguard and enhance the rural environment, improve the competitiveness of the agricultural sector and foster sustainable and thriving rural businesses and rural economies across England. The previous Rural Development Programme finished in 2014, where 28 Ribble Valley businesses and other local organisations received financial support through the programme.

2.2 A report was originally presented to this Committee at its meeting on 27th January 2015, where it was anticipated that new RDPE programme was due to begin in Lancashire later in 2015, and the Councils Regeneration Team at that time were working with Lancashire County Council and other Lancashire Districts on a new Local Development Strategy (LDS). The planned programme schedule was subsequently deferred at national level, awaiting formal approval of the Lancashire LDS by the UK Government Department for Environment, Food & Rural Affairs (DEFRA), who are tasked with the overall management of the programme national level.

3 INFORMATION

3.1 In summary, the Rural Development Programme for England provides money for projects to improve rural life, agriculture, the environment, with funding principally contributing to schemes that support such things as growing the rural economy, increase the productivity of farming, forestry and improving the environment in rural areas. The new RDP has four elements detailed below:-

- **Environmental Schemes (£3.1bn)** – around £900m of which will be available under the new Countryside Stewardship scheme for farmers and land managers who voluntarily manage their land in ways that benefit the environment to meet local priorities. Around £2.1bn will pay farmers and foresters who are already in environmental schemes from the previous programme.
- **Countryside Productivity (£141m)** – helping the farming and forestry industry to become highly skilled and new farmers to start-up their business. Helping develop world class production and supply chains through working together to use the best new technology and innovation and by collaborating to develop their sectors.
- **Growth Programme (£177m)** – helping get new rural businesses off the ground and existing businesses to develop new products and facilities, investing in broadband and renewable energy and promoting rural tourism. LEPs and local partners will help us decide how to spend funds in their area.
- **LEADER (£138m)** – giving local communities the responsibility and resources to identify local needs and fund projects to meet them. Local LEADER groups will decide how to spend funds in their area. At least 70% of this will go directly on job creation and growth.

3.2 As outlined above, the LEADER element of funding is available to local businesses, communities, farmers, foresters and land managers. The total of £138 million is available is allocated to approved Local Action Groups (LAGs) throughout England between 2015 and 2020 under the scheme. LEADER is part of the RDPE. It is a French acronym (Liaison Entre Actions de Développement de l'Économie Rurale) which roughly translates as 'Liaison among Actors in Rural Economic Development'. Under the LEADER scheme applications for funding are made to a Local Action Group (LAG) for projects that create jobs, help business to grow, and benefit the rural economy,

3.3 Whilst the official EU launch of the latest programme began in 2014, from this time a number of agreements had to be established between the EU and the UK Government / DEFRA prior the roll-out and delivery nationally could start. Although rollout across the majority of the programme began in during 2015, the LEADER element of the programme, which was intended to commence in 2015 also, could not be confirmed by Defra until final agreements could be signed-off with all the designated LEADER groups at local level, with the official start of programme delivery in Lancashire finally occurring in 2016.

3.4 To meet European Commission requirements as stated above, programme delivery in sub-regional areas such as Lancashire is overseen by Local Action Groups (LAGs). In Lancashire, as with the previous programme, 3 LAGs have been established to manage the RDPE programme of activity, with some elements also being delivered by Natural England and the Forestry Commission:

- **Lancashire North & Bowland** - (includes the rural areas of Lancaster, Ribble Valley, part of Pendle and part of Wyre).
- **Lancashire West** - (includes the rural areas of Fylde, West Lancashire, Preston and parts of Wyre).
- **Lancashire Pennine Moors** – (includes the rural areas Chorley, South Ribble, Blackburn with Darwen, Rossendale, Hyndburn, Burnley and part of Pendle. Also contains the adjacent Greater Manchester rural populations of Bolton, Bury, Wigan and Rochdale).

3.5 As stated above the Lancashire North and Bowland Local Action Group (LAG) area will consist of the rural parts of the Lancashire Districts of Ribble Valley, Lancaster, Pendle (part) and Wyre (part). The total population within this area is 118,440 including the eligible population of the market towns of Clitheroe and Barnoldswick

and includes the Forest of Bowland and Arnside and Silverdale (part) AONBs. The area incorporates the Bowland Fells and Bowland Fringe and Pendle Hill National Character Areas. A map is attached at Appendix A showing the Lancashire North and Bowland LAG area.

- 3.6 This is a different area to the previous LAG (under the previous programme Ribble Valley was within the Pennine Lancashire LAG), the rationale for this change has been based upon the geographic coherence of the area, quality and type of landscape as well as the potential for growth and opportunities in the Visitor Economy as well as many commonalities within the farming sector in the area. In the Lancashire North and Bowland LAG area the four Local Authorities represented (Ribble Valley, Lancaster, Wyre and Pendle) automatically have a seat on the LAG Executive.
- 3.7 The Lancashire North and Bowland LAG area has a distinctive character, with two Areas of Outstanding Natural Beauty (AONB), coastal areas along Morecambe Bay linking to Cumbria in the North (and through the Lune Valley) and the Fylde Coast in the South and sites of special scientific interest. In demographic terms, Ribble Valley is the most rural District in Lancashire and over two-thirds of the LAG area landscape is designated as 'uplands' and has been allocated £1,281,165 of funding from Defra to deliver the programme to distribute grants direct to business and other organisations to create and safeguard jobs in the area and develop the local economy across the six Defra themes of enterprise, farming, tourism, rural services, forestry, culture and heritage.
- 3.8 The first round of funding is aimed at Enterprises and Farming businesses and the focus is very much on job creation and growth of the business. Full details of the eligibility criteria can be found on our Rural Development Fund website at www.lancashire.gov.uk/rural-development along with other relevant guidance and information. The enterprise fund provides support for micro and small businesses (less than 49 full-time equivalent employees and non-agricultural) and farm diversification. The grants are for both new and existing businesses and all types of businesses, including social enterprises can apply, whilst the farming grants will support a wide range of farm investments. They are particularly for businesses that want to invest in innovative business practices and new technologies to help them become more sustainable and productive.
- 3.9 The application process is competitive and therefore there are no guarantees that an application for funding will be successful. Applications will be appraised and assessed against a broad range of criteria but the primary focus will be the creation of jobs, how the business will grow and the impact upon the local rural community. The Local Development Strategies (LDS) form the basis for delivery of the LEADER funding in Lancashire. The allocations for each LAG area are as follows:-
- **Lancashire North & Bowland** - £1,281,165
 - **Lancashire West** - £1,340,205
 - **Lancashire Pennine Moors** - £1,172,269
- 3.10 Further details explaining these can be found on the Factsheet attached at Appendix B to this report and a copy of the Lancashire North & Bowland LDS has been placed in the Members Meeting Room on Level C in the Council Offices.

CRAIG MATTHEWS
REGENERATION OFFICER

MARSHAL SCOTT
CHIEF EXECUTIVE

For further information please ask for Craig Matthews, extension 4531.

Lancashire North and Bowland

Lancashire North and Bowland
 Total Population: 118,440
 Rural Population: 93,240
 Urban Population: 25,200

-  Lancashire Market Towns
-  LAG Areas
-  Urban
-  Areas of outstanding natural beauty
-  Lancashire Market Towns (Urban)
-  Lancashire West
-  Lancashire North and Bowland
-  Pennine Moors

Rural Funding *fact sheet*

What is LEADER?

LEADER (a French acronym that translates as 'Liaisons among actors in the rural economy') is an EU programme that aims to provide funding for businesses and organisations looking to begin or expand their operations in rural areas. What separates it from other funding programmes is that it is delivered locally rather than nationally, with decisions on how and where the grant money is spent being made by an appointed Local Action Group (LAG) of key representatives from various organisations in the local area. Your Lancashire LEADER Team and LAGs benefit from a wealth of experience in a range of sectors and are here to help you with your application process.

As with any grant funding programme, the language and rules surrounding it can be daunting, but we hope this fact sheet goes some way towards helping you understand the programme's requirements, which in turn will help you when submitting an outline application.

LEADER Themes

LEADER funds must support one or more of the following themes:

- Increasing Farm Productivity
- Micro/Small Enterprises & Farm Diversification
- Rural Tourism
- Rural Services
- Culture & Heritage
- Increasing Forestry Productivity

A proportion of each LEADER area's funding has been allocated to a priority, to ensure a fair spread of funding across all types of organisations in the area.

The Local Action Group

As LEADER is intended to be a locally-delivered grant

funding programme, all funding decisions are made by elected members of the Local Action Group, or LAG Executive. The LAG Executive consists of a range of local representatives from each of the LEADER priorities, as well as a spread of expertise from both public and private sectors.

Though a project may successfully pass through the outline application procedure, it is ultimately up to the LAG Executive to decide which projects to fund on the basis of value for money and the benefits they will bring to the local area. While a project may be fully eligible, the LAG's duty to ensure that the funding goes as far as possible means that no project is guaranteed to receive funding.





When Funding can be Claimed

Grant funding can only be claimed in arrears, so you must be able to pay for your project in the short-term, as grant payments will only be made once the work being claimed for has been completed and paid for. If you are claiming grant funding for items purchased using a hire- or lease-purchase agreement, you must have made all outstanding payments against the items and own them outright before any grant money can be paid.

Grant Rates

These vary depending on the organisation applying for the grant and the LEADER Priority under which their project sits, but the typical grant amount available is 40% of the total eligible project costs, with the rest of the money coming from other private sources – it cannot come from other public sources.

However, non-profit organisations may find that a greater amount of their eligible project costs can be covered – please ask the Lancashire LEADER Team for guidance.

Eligibility

Not every cost associated with a project will be eligible for LEADER funding, but your Programme Manager will work with you to assess which of your costs are eligible and which are not. As a general rule, LEADER funding is intended for immovable, capital items and it cannot be used for salaries, printed marketing materials, licences or in-kind contributions to the project.

You also cannot apply for funding to fulfil legal obligations of an existing operation – for example, an existing café could not request funding purely to

build an accessible WC, but a completely new build project that included an accessible WC as part of a project, would be eligible.

The rules around eligibility can be complex and will vary depending on which LEADER Priority your project falls under, but a full list of ineligible costs will be included in the LEADER Applicants' Handbook and the Lancashire LEADER Team will be happy to advise you. Projects must be located in an eligible rural postcode.

Please contact the LEADER Team to check the postcode.



Application Process

One of our Programme Managers will work with you to help develop your project and complete an Outline Application, and if successful you will be invited to submit a full application. If your full application is eligible, it will then be presented to the LAG and a decision will be made within 40 working days of the closing date of your submission.

Jobs

The success of the LEADER programme is primarily measured on the jobs that are created as a result of the funding. These jobs are quantified by the number of full-time equivalent (FTE) positions created, which are defined as jobs requiring at least 30 hours per week. However, part-time jobs can be counted e.g. two 15-hour roles would constitute one FTE position.



Grant Amounts

The LEADER programme has a minimum grant amount of £6,000. Technically there is no maximum grant amount, but the LAG will always seek to provide value for money and spread the available funds across as many projects as possible.

Each LAG has allocated the funding to the different priorities according to their local area. Each LAG also has outputs to achieve and again the outputs are slightly different in each geographical area. Further details are available overleaf.



Notional funding allocations

Lancashire West	Lancashire North and Bowland	Lancashire Pennine Moors
Farming Total budget (approx.) £384,498 Average Grant size £48,062 Number of projects x 8	Farming Total budget (approx.) £201,031 Average Grant size £40,206 Number of projects x 5	Farming Total budget (approx.) £175,840 Average Grant size £43,960 Number of projects x 4
Enterprise Total budget (approx.) £512,664 Average Grant size £25,633 Number of projects x 20	Enterprise Total budget (approx.) £536,083 Average Grant size £26,804 Number of projects x 20	Enterprise Total budget (approx.) £527,522 Average Grant size £26,376 Number of projects x 20
Tourism Total budget (approx.) £128,165 Average Grant size £42,721 Number of projects x 3	Tourism Total budget (approx.) £268,041 Average Grant size £29,782 Number of projects x 9	Tourism Total budget (approx.) £234,454 Average Grant size £39,075 Number of projects x 6
Culture & heritage Total budget (approx.) £64,083 Average Grant size £64,083 Number of projects x 1	Culture & heritage Total budget (approx.) £134,020 Average Grant size £26,804 Number of projects x 5	Culture & heritage Total budget (approx.) £58,613 Average Grant size £58,613 Number of projects x 1
Basic Services Total budget (approx.) £128,165 Average Grant size £64,082 Number of projects x 2	Basic Services Total budget (approx.) £134,020 Average Grant size £22,336 Number of projects x 6	Basic Services Total budget (approx.) £117,227 Average Grant size £39,075 Number of projects x 3
Forestry Total budget (approx.) £64,083 Average Grant size £64,083 Number of projects x 1	Forestry Total budget (approx.) £67,010 Average Grant size £22,336 Number of projects x 3	Forestry Total budget (approx.) £58,613 Average Grant size £29,306 Number of projects x 2

We have been awarded the funding in Euros. Each year we will be allocated an amount based upon the exchange rate that year. Therefore the funding could increase or decrease depending upon the exchange rate.

If you wish to discuss any aspect of the Lancashire LEADER programme, please do not hesitate to e-mail ruralfunding@lancashire.gov.uk or call Karen Lawrenson on

01772 538797 or Louise Kite on **01772 534134**

www.lancashire.gov.uk/rural-development

