

REPORT OF THE LEADER OF THE COUNCIL

RURAL LEADER BUSINESS GROWTH PROGRAMME - MANAGEMENT & RESOURCES TO 31 MARCH 2020

Purpose of the Report

1. This report provides an update on the performance of the Nottinghamshire LEADER rural business growth programme. The purpose is twofold to seek approval:
 - a) To extend existing staffing resources to maximise grant spend in Nottinghamshire and to deliver Programme compliance, and;
 - b) To instruct officers to prepare a report for a future meeting on the final performance of the Programme to include financial implications and resourcing requirements for the period 31 March to 31 December 2020.

Information

2. The Council Plan 2017 to 2020 emphasises how Nottinghamshire County Council will promote the conditions that will help businesses thrive and prosper. For the last 3 years, rural businesses and communities have been encouraged to apply for grant funding from the South and North Nottinghamshire LEADER Local Action Groups (LAG) to support projects that will create jobs and boost the local economy.
3. LEADER is funded by the European Union. England's allocation is managed by the Rural Payment Agency (RPA). Local partnerships were invited to bid to the RPA for a share of the national programme in 2014. In 2015 Nottinghamshire successfully secured funding for 2 local programmes covering parts of rural north and south Nottinghamshire. Nottinghamshire County Council manages both local programmes on behalf of two separate business-led partnerships known as Local Action Groups (LAGs).
4. Rural businesses and rural communities initially had until the end of September 2018 to bid for a share of £3.4 million originally awarded to the two Nottinghamshire Programmes.
5. LEADER is underpinned by a unique method of delivering rural development funding to beneficiaries through LAGs. Individuals with local knowledge are involved in key decisions about how funds are effectively spent. The funding exists to support the regeneration of rural economies. The priority areas for investment in Nottinghamshire are farming productivity, micro and small businesses (including farm diversification), tourism, forestry productivity and rural services.
6. To date, 28 projects have been funded with the following impact across Nottinghamshire:
 - £1.56m grant investment contracted

- 28 enterprises supported financially
 - 77 new jobs to be created as a direct result of the investment
 - 135,000 new visitors to the county generated by LEADER investment in the sector
 - £3.9m of private sector match funding invested in the county's rural economy
 - 12 farms supported to improve productivity, utilising 24 new techniques
 - £1.7m increase in salaries paid for jobs created within rural Nottinghamshire
7. Grant submissions totalling £490,000 are pending a decision, and a further £2.6 million of grant requests are in development from 40 rural enterprises.
 8. The current LEADER staffing complement is 5.5 Full Time Equivalents. Subject to compliant claims and spend performance, the costs of the posts are being met in full via a dedicated LEADER Running Costs and Administration (RCA) budget.
 9. Two significant and positive changes have recently come into force, which must be applied locally. These are:
 - a) A change in the Sterling/Euro conversion rate – meaning an increase of approximately £173,000 for investment in eligible rural projects in Nottinghamshire and
 - b) A 6-month extension to the period where grants can be awarded - enabling more pending and pipeline demand to be met in the county
 10. Just over **£1 million remains** available for Nottinghamshire businesses to apply for. The UK government will guarantee the funds for all projects that are contracted by 30 September 2019. This means that Expressions of Interest (EOIs) are needed from applicants by 31 January 2019. The EOI is the first step in the two-stage application process, thereafter full applications must be submitted by 31 May 2019 to facilitate contracting by the September deadline.
 11. In operational terms, there is a need to drive take-up of the grants between now and 30 September 2019. From 1 October 2019, the focus will shift to managing contract variations, claims processes and inspections. As a result, changes to the current employment periods are required.
 12. As illustrated in the current and proposed staffing requirements at **Appendix A**, the two extensions required are as follows:
 - a) For contracting and compliancy - Committee approval is being sought for a 12-month contract extension from 1 April 2019 to 31 March 2020 for three full-time equivalent LEADER Business Support Officers and a part-time LEADER Programme Manager.
 - b) For development and marketing - Committee approval is being sought for a 6-month contract extension (from April 2019 to 30 September 2019) for three full-time equivalent Project Officer and Programme Coordinator posts.
 13. The position post 1 April 2020 to 31 December 2020 will require a further review. The intention is to present this at a future Policy Committee meeting.

Other Options Considered

14. An alternative option considered was for Nottinghamshire County Council to reject the increase of £173,000 for investment in eligible rural projects and not extend the period where grants can be awarded. However, this option was discounted as the contractual requirements of the funding prevent such an action.

Reasons for Recommendations

15. Whilst lobbying government for access to rural funding continues, in parallel the Council wants to make sure that Nottinghamshire farmers, growers, foresters, other local rural businesses and rural community organisations are supported to take full advantage of the LEADER funding.
16. The reduced level of staffing required for the period 1 October 2019 to 31 March 2020 reflects the refocused priorities of the programme and the deadlines for grant submissions. Subject to Policy Committee approval, this proposal sufficiently meets the contractual obligations, whilst at the same time seeks to mitigate any financial and reputational risks to Nottinghamshire County Council.

Statutory and Policy Implications

17. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Financial Implications

18. Subject to spend performance, funding for the current and proposed level of posts is contained within the existing grant provision with no additional cost to the Council. Further, a staff overhead provision of 15% of defrayed staff costs is recoverable, as are statutory redundancy costs.
19. Within the running costs and administration claims framework, it is understood that the statutory minimum redundancy rights are eligible and limited to those accrued during the period of the current LEADER Programme (2014-2020). The treatment of costs outside of this definition are currently being explored with the Rural Payments Agency and unknown at the time of writing this report. In the event of the RPA confirming they will not meet any costs outside of this definition, any additional costs will need to be met from the Growth and Economic Development budget allocation.

RECOMMENDATIONS

It is recommended that Policy Committee:

- 1) Approves both the 6 month and 12 month contract extensions for the posts as outlined paragraph 12 of the report.
- 2) Agrees to officers preparing a report for a future meeting on the final performance of the Programme to include financial implications and resourcing requirements for the period 1 April 2020 to 31 December 2020.

COUNCILLOR MRS KAY CUTTS, MBE
Leader of the County Council

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Constitutional Comments [KK 12/11/2018]

20. The proposals in this report are within the remit of the Policy Committee.

Financial Comments [RWK 22/11/2018]

21. The financial implications are set out in paragraphs 15 and 16 of the report.

HR Comments [JP 22/11/2018]

22. Contracts of employment will be extended in line with the provision set out in App A. Future reduction proposals will be supported by the relevant HR policies and procedures including supporting any employees identified as at risk through the redeployment procedure.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

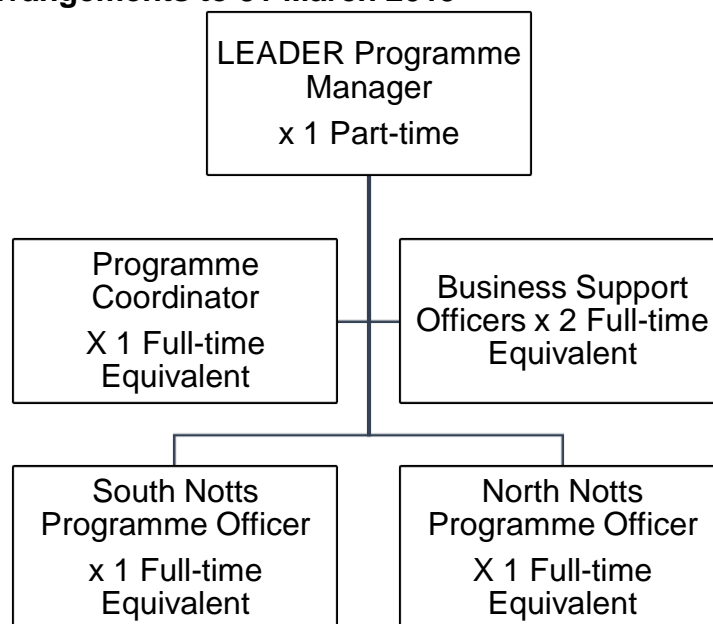
- *LEADER programme and Digital Business Growth programme – Additional Staffing*: Report to Policy Committee 15 Nov 2017, published

Electoral Division(s) and Member(s) Affected

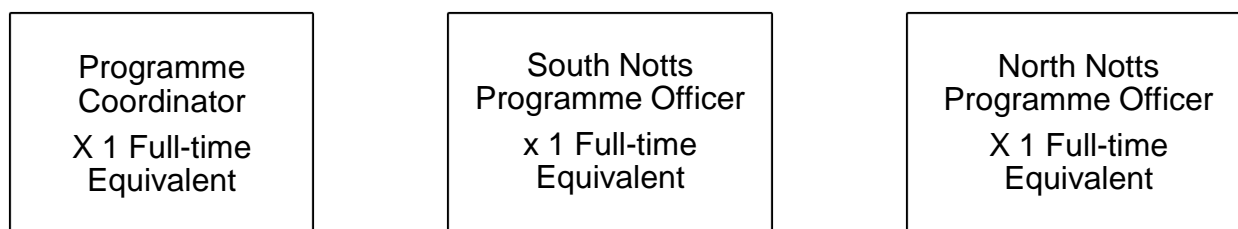
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APPENDIX A – CURRENT AND PROPOSED STAFFING REQUIREMENTS

A. Current staffing arrangements to 31 March 2019



B. For development and marketing a proposed 6-month extension from 1 April 2019 to September 2019



C. For contracting and compliancy a proposed 12-month extension from 1 April 2019 to 31 March 2020

