

3rd March 2015

Agenda Item: 7

REPORT OF THE GROUP MANAGER, CORPORATE STRATEGY**ESTABLISHING THE NOTTINGHAMSHIRE LEADER PROGRAMME
ACCOUNTABLE BODY FUNCTION****Purpose of the Report**

1. To seek approval for the establishment of the accountable body function for the two Nottinghamshire LEADER programmes, including the creation of three new posts to support programme delivery.

Information and Advice

2. Previous reports to this Committee and Policy Committee have updated Members on the 2014-20 LEADER programme. LEADER is a European Union fund aimed at economic growth in rural communities. In 2014, local partnerships were invited to bid for LEADER funds for the period 2014-20. In Nottinghamshire, two bids were developed – one based on the existing North Nottinghamshire LEADER area and a second, new bid for rural parts of the south of the county.
3. As part of the bidding process, Nottinghamshire County Council proposed to act as accountable body for the LEADER programme should both of the bids be successful, recognising that efficiencies and economies of scale should be deliverable across two programmes. Policy Committee approved this approach at its meeting on 2nd July 2014.
4. The outcome of the bidding process was confidentially announced at the end of November 2014. This was reported to Policy Committee in December 2014. The final levels of LEADER funding for each programme have not yet been confirmed but each of the Nottinghamshire programmes is expected to receive between £1.4 million - £2 million. With match funding required at a rate of 50:50, total investment in rural economic activity in Nottinghamshire to 2020 should be in the region of £7 million.

Establishing the accountable body function

5. At its December 2014 meeting, Policy Committee supported the establishment of an internal working group to develop the LEADER accountable body function. This group has now met and work is ongoing on a number of strands related to the accountable body role:

- HR – establishing new posts and transfer in of an incumbent employee via TUPE from Bassetlaw District Council
- Finance – setting up systems to ensure that expenditure and subsequent claims for defrayed expenditure are correctly managed
- Internal audit – advising on the appropriateness of systems and compliance with LEADER terms and conditions
- Legal – advising on governance arrangements and the LEADER contracts
- Communications – publicity linked to the programme launches; development of web pages for the two programmes

Meetings with the Department for the Environment, Food and Rural Affairs (Defra) are ongoing as the two LEADER programmes are being developed. Defra have stated that they expect programmes to launch in June 2015 with calls for bids from potential projects following shortly after the launch.

6. In the meantime, clear emphasis is being placed by Defra on the Accountable Body's need to develop robust, auditable processes to underpin the appraisal and approval of projects and to monitor programme performance. There is also a need to develop a clear governance structure for the LAGs together with a formal Memorandum of Understanding between the Accountable Body and the individual LAG.
7. All of these will be developed from the National Operating Manual that Defra intends to issue in due course. This will make the programme nationally consistent across all areas with template formats and processes for applications and so forth. Whilst it would have been preferable to have had early sight of the Manual, all areas are in the same position and from a risk management perspective specific, clear guidance will reduce the level of the Accountable Body's exposure that may have arisen with locally sourced solutions and potential mis-interpretation of requirements.

Establishing new posts

8. Defra stipulates that each LEADER programme has to be supported by a minimum of one full-time equivalent (FTE) Programme Officer and half a full-time equivalent business support officer. Across the two programmes there is therefore the requirement for a minimum of three FTE posts to be created [note: one of these is likely to be filled by the incumbent post-holder from Bassetlaw District Council).
9. The Programme Officer role is to promote the programme across the eligible area, encourage the development of projects and applications and subsequently to contract / performance manage projects in line with the Local Development Strategy. A job description has been designed for these roles based on good practice from existing LEADER programmes and has been submitted to the job evaluation team for consideration. For the purposes of this report and Committee's consideration of the financial implications, the salary for these posts has been calculated at Band A [£25,440 - £29,558]. It should be noted that this will in no way prejudice the outcome of the job evaluation process.

10. Bassetlaw District Council acted as accountable body for the 2007-13 LEADER programme in North Nottinghamshire. The Programme Officer post attached to this programme is hosted by Bassetlaw District Council. The post-holder has been working on transitional activities and supporting the winding down of the 2007-13 programme with Bassetlaw.
11. As Nottinghamshire County Council has now assumed the accountable body role, a Transfer of Undertakings, Protection of Employment (TUPE) situation arises with regard to the North Nottinghamshire LEADER post-holder. This is being managed by the County Council's HR team with their counterparts at Bassetlaw District Council. The County Council will inherit redundancy liabilities when the TUPE transfer is completed. Bassetlaw District Council have committed to meeting any redundancy liabilities on a 50:50 basis with the County Council.
12. It is proposed to establish the business support posts (2 x 0.5 FTE) utilising the standard job descriptions for business support at Grade 4 [£18,376 - £20,849]. The newly created posts will be recruited to following the County Council's standard recruitment procedures, and subject to the vacancy control process. All of the new posts will be created as two-year fixed term contracts initially.
13. Management of the LEADER programme and associated staff posts will require additional senior capacity within the Economic Development service. It is proposed to establish a temporary 0.5 FTE Band D Senior Economic Development Officer post to accommodate this, subject to confirmation of grading with the job evaluation team. The additional 0.5 FTE at Band D will be a temporary arrangement for two years in the first instance and will be offered as an acting up opportunity to an existing Economic Development Officer (Band C) with the uplift to Band D charged to the LEADER programme.

Financing the programme management arrangements

14. In undertaking the accountable body role, the County Council will be awarded 'Management and Administration' (M&A) funds which have a value of up to 18% of the LEADER award to each programme. It is estimated that this will be in the region of £580,000 [subject to final award confirmation].
15. The bulk of the costs relating to acting as the accountable body for the Nottinghamshire LEADER programmes are direct staff costs to enable the County Council to meet its contractual obligations to Defra. Estimated annual costs for this staffing, based on the mid-point of the salary ranges, are £91,750 [inclusive of on-costs]. Additional costs relating to the setting up of marketing and communications related to the two programmes [i.e. web development / branding] have also been factored in to the draft budget outlined below:

Cost item	Year 1: 2015-16	Year 2: 2016-17	Year 3: 2017-18	Total
Salaries (incl 2% annual uplift)	£91,750	£93,585	£95,457	£280,792
Additional management capacity	£2,300	£2,500	£2,750	£7,550
Other staff costs	£8,000	£5,000	£5,000	£18,000

[equipment / travel etc]				
Marketing / web development	£30,000	£10,000	£10,000	£50,000
Events	£5,000	£5,000	£5,000	£15,000
Subtotal	£137,750	£116,085	£118,207	£371,342

16. All of these costs will be met from the M&A allocation. The management and administration requirements of the LEADER programmes will be continually monitored and formally reviewed towards the end of the 2016-17 financial year. Any changes or budgetary shortfalls will be brought to Economic Development Committee for consideration.

Local governance

17. Each of the LEADER programmes is overseen by a Local Action Group (LAG). In North Nottinghamshire a LAG already exists due to the area benefitting from LEADER funding in the 2007-13 programme period. It is chaired by Rob Crowder, Chief Executive of Rural Community Action Nottinghamshire. The North Nottinghamshire LAG will be reviewed to ensure that it is fit for purpose for the new LEADER programme. This will include ensuring that LAG members attend mandatory training put on by Defra as part of the new programme and that an appropriate public/private/third sector representation is achieved.
18. In South Nottinghamshire, a shadow Local Action Group was established last year to support the development of a bid for LEADER resources. This LAG is currently chaired by Linda Fitzgerald who is an expert in social enterprise and rural business development. The County Council's lead officer is supporting this LAG to achieve the governance standards required by Defra, which includes mandatory training for LAG members as noted above.
19. Key to the success of the Local Action Groups will be the effective engagement of local community and business leaders, given the focus of LEADER on supporting grass roots and sustainable economic growth in local communities.

Reason(s) for Recommendations

20. To ensure that the Council's commitment to act as accountable body for the two Nottinghamshire LEADER programmes can be delivered in line with Defra's expectations and timelines and to enable both programmes to be launched in the spring of 2015.

Statutory and Policy Implications

21. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described within the body of the report.

Financial implications

22. These are detailed in the report.

Human Resources implications [FJW 18.02.2015]

23. These are reflected in the report.

RECOMMENDATIONS

24. It is recommended that Committee:

- (a) notes the content of the report and approves the establishment of the accountable body function for the two Nottinghamshire LEADER programmes;
- (b) approves the establishment of new staff posts and management arrangements as outlined in paragraphs 8 – 13
- (c) receives six-monthly update reports on the LEADER programmes commencing July 2015

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For any enquiries about this report please contact:

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Constitutional Comments [LM 17/02/2015]

The Economic Development Committee has delegated authority within the Constitution to approve the recommendations in the report

Financial Comments [NDR 18.02.2015]

The financial implications are set out in paragraphs 14 to 16 of the report.

Background Papers

LEADER Rural Development Programme – opportunity to submit application: report to Economic Development Committee, 1 April 2014, published.

Minutes of Economic Development Committee, 1 April 2014, published.

LEADER Rural Development Programme – Nottinghamshire proposed submissions: report to Policy Committee, 2 July 2014, published.

Minutes of Policy Committee, 2 July 2014, published.

South Nottinghamshire Local Development Strategy submission.

North Nottinghamshire Local Development Strategy submission

LEADER rural development programme – outcome of submission results; report to Policy Committee, 10 December 2014, published

Minutes of Policy Committee, 10 December 2014, published

Electoral Division(s) and Member(s) Affected

Eligible rural communities in Ashfield, Bassetlaw, Gedling, Mansfield, Newark and Sherwood and Rushcliffe