

**REPORT OF THE CHAIR, ECONOMIC DEVELOPMENT COMMITTEE****LEADER RURAL DEVELOPMENT PROGRAMME – NOTTINGHAMSHIRE  
SUBMISSION RESULTS****Purpose of the Report**

1. To advise Policy Committee of the success of two LEADER programme bids in Nottinghamshire and outline the implications of the decisions to the authority. In addition the report requests Policy Committee's support for the establishment of an internal project team to develop appropriate accountable body systems and proposes that future reports on LEADER should be considered by Economic Development Committee.

**Information and advice**

2. LEADER ['Liaison Entre Actions de Développement de l'Économie Rurale' or 'links between the rural economy and development actions'] is a European rural economic development programme managed by the Department for the Environment, Food and Rural Affairs (DEFRA). In the spring of 2014, DEFRA invited local areas to consider developing bids for the forthcoming 2014-2020 programme period.
3. On 2<sup>nd</sup> July 2014 Policy Committee agreed to submit two LEADER Bids for eligible areas in Nottinghamshire and for the County Council to act as Accountable Body should both bids be successful – with alternative provisions if only one bid were successful. This was preceded by reports to the Economic Development Committee outlining the LEADER opportunities.
4. Of the bids one was new – covering eligible areas in the south of the county in Rushcliffe, Gedling and small parts of Ashfield. The other was a bid to continue and expand work undertaken under the previous LEADER Programme in the north of the county. This bid included eligible populations in Bassetlaw (including the market town of Retford), Newark and Sherwood and parts of Mansfield. As reported to Committee previously, the rural areas that could be included in the LEADER bids were very narrowly defined by DEFRA. Maps showing the eligible areas are appended to this report. (Appendices 1 and 2 refer)

**South Nottinghamshire LEADER Local Development Strategy**

5. The South Nottinghamshire LEADER Local Action Group (LAG) submitted a bid for £1.9m of LEADER funds for the period 2015-2020. An assumed match

(primarily from the private sector) of £1.9m was anticipated giving a total programme value of £3.8m.

6. The bid, known as the Local Development Strategy (LDS), outlined priorities that the LAG identified to create local jobs and growth in the rural economy. This was heavily influenced by public meetings, stakeholder groups and an online survey within the framework of what DEFRA indicated could be supported by the LEADER Programme.
7. The submission identified Nottinghamshire County Council as Accountable Body on the basis of providing the same service for the North Nottinghamshire LAG in order to achieve enhanced value for money in administration and project animation through the economies of scale achieved through shared services. This enabled both bids to be competitively pitched with administrative costs capped at 16.5% of the total grant sought against a maximum allowable of 18%. This was seen as a vital component of the bids in order to best place them for success against 85 competing bids nationally.
8. The LDS submission was required to demonstrate the types of activities and targets for the proposed programme in South Nottinghamshire. These cover the 6 priorities indicated in guidance issued by Defra up to the time of the submission. On this basis the South Nottinghamshire LDS was built around the following priorities:
  - I. To facilitate, develop, and grow new and existing rural businesses – to reduce the barriers to sustainable economic growth - thereby supporting SMEs to grow and home workers and would-be entrepreneurs to develop career and employment potential through, for example, the establishment of micro businesses locally to mitigate further economic leakage and promote skills retention
  - II. To support land based farm businesses to boost productivity and resilience – including support to realise diversification opportunities, promote innovation and boost income and support job growth in farming
  - III. To strengthen the tourism offer by increasing visitor awareness, understanding and enjoyment of the products and experiences already available. This revolves around product development and joining up the diverse stories (textile history/coal mining/ waterways/ farming/food/ sport/ country parks/geology and built heritage) by providing opportunities for businesses to lead on tourism in their locality and drive initiatives within rural areas – within the context of the Destination Management Plan and with the support of Experience Nottinghamshire
  - IV. To promote the natural and built heritage in South Nottinghamshire – encouraging local business and communities to celebrate and market sites – linking clearly to the tourism offer whilst ensuring environmental sustainability
  - V. To bring more woodland into active sustainable management – building the capacity of existing businesses and encouraging cooperation and innovation in new techniques and products.
  - VI. To develop innovative approaches to the improvement, expansion and delivery of rural services – bespoke services that target local needs and have the potential for income generation

## **North Nottinghamshire LEADER Local Development Strategy**

9. The North Nottinghamshire bid built on experience and knowledge gained from the previous programme but with an expanded population inclusion – by agreement with DEFRA just above the 150,000 maximum. This enabled the bid to be pitched at an award of £2,063,000 split £1.7m to support direct activity (matched primarily by private sector applicants to deliver £3.4m of growth activity to the local rural economy) and the £363,000 balance for project animation and facilitation.
10. As required by DEFRA the North Nottinghamshire LDS focused activities on the 6 priorities outlined in Paragraph 8 of this report.
11. The main difference in the North Nottinghamshire programme is its ability to build on work undertaken to date which has enabled the LAG's confidence to support projects to a higher value than will potentially be the case in the south and to achieve a higher VFM in respect of jobs created targets – based on evaluated activity from 2007-13.

### **LEADER Decisions**

12. On 27<sup>th</sup> November the County Council received confirmation that both of the LEADER bids for the county had been approved by DEFRA subject to contract. The exact amount offered to each area is yet to be finalised as an appeals process is currently underway.
13. This is an excellent result for Nottinghamshire and the rural economy given the competitive bidding process with around 85 bids being submitted. Officers will now work with DEFRA to finalise the contract details and award amounts with DEFRA anticipating having contracts signed with accountable bodies by the end of March 2015. However, DEFRA also hopes that management and administration costs can be incurred and classed as eligible expenditure from 1<sup>st</sup> January 2015. This will enable the County Council as the accountable body to establish the required financial systems and staffing resources to deliver the programmes in advance of a formal launch in April 2015.

### **Accountable Body Role**

14. In formulating the bids and in line with the delegated authority approved by Policy Committee in July 2014, a risk assessment was undertaken in terms of the County Council undertaking the role of the accountable body for both programmes – if both bids were successful. In association with the Corporate Director, PPCS, the Section 151 Officer and colleagues in Finance and Internal Audit it was concluded that, based on the information released by DEFRA, the risks were within acceptable, manageable levels.
15. It is proposed that a small internal project team, led by Economic Development, is now established to develop the accountable body function as a matter of some urgency. This will need to involve officers from Finance, Internal Audit

and HR (the latter due to the creation of new posts and the potential transfer in (through TUPE) of the existing North Nottinghamshire LEADER post-holder).

### **Positioning the Rural Economy to Maximise Growth Potential**

16. In addition to LEADER activity that will impact the rural growth agenda, the main D2N2 European Structural Investment Fund Programme and other government initiatives such as the Manufacturing Advisory Services, Growth Accelerator, Technology Strategy Board etc all exist and can be accessed by rural businesses. It remains a key objective therefore to ensure that the LEADER funds do not displace these mainstream funding sources and that where appropriate mainstream programme access is achieved to maximise the opportunities for rural growth.

### **Reason(s) for recommendations**

17. Two Nottinghamshire bids were submitted to Defra for funding from the LEADER programme 2014-2020 with the County Council acting as the joint Accountable Body for both bids. Policy Committee approved this in June 2014. This report updates Policy Committee on the outcome of the bids and the accountable body implications for the County Council.

### **Statutory and policy implications**

18. 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 below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATIONS**

19. It is recommended that Policy Committee:
  - a) Welcomes the successful bids for two LEADER programmes in Nottinghamshire and the investment in rural economic growth that they will deliver;
  - b) Agrees that a small internal project team be established to develop the Council's accountable body role as a matter of urgency
  - c) Agrees that final funding confirmations and all future updates on the Nottinghamshire LEADER programmes will be considered by the Council's Economic Development Committee

### **Report of the Chair, Economic Development Committee, Cllr Diana Meale**

For any enquiries about this report please contact: Mandy Ramm, 72685.

**Constitutional Comments [LM 28.11.2014]**

The Policy Committee has delegated authority within the Constitution to approve the recommendations in the report.

**Financial Comments [SEM 28.11.2014]**

The financial implications are set out in the report.

**Background Papers**

DEFRA guidance: <http://rdpenetwork.defra.gov.uk/funding-sources/leader-resources>

*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

**Electoral Division(s) and Member(s) Affected**

Eligible rural communities in Ashfield, Bassetlaw, Gedling, Mansfield, Newark and Sherwood and Rushcliffe (see maps at appendices 1 and 2)