

Area West Committee – 18<sup>th</sup> June 2014

## 8. LEADER Programme for Rural Economic Development

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### Purpose of the Report

To brief all Area Committees on the new LEADER programme for rural economic development and set out the arrangements for appointing member representatives to the appropriate governing body of prospective Local Action Groups (LAGs).

### Public Interest

At the current time most of South Somerset does not qualify for the LEADER programme which supports locally designed rural economic development initiatives. Subject to funding, DEFRA may allow existing programmes to change their boundaries, including the possible incorporation of areas not presently covered, in a successor programme, to be launched in 2015.

### Recommendations

1. That Members consider and note the report and arrangements for member appointments to be made to each of the 3 prospective Local Action Groups governing body from the Area with greatest coverage;
2. Note that a further report will be brought to the Committee in autumn 2014 reporting on the outcome of applications for funding.

### Background

This is an update on proposals to extend coverage of the LEADER programme in South Somerset from 2014.

Area Chairs were briefed about this last summer when the new programme, 2014-2020, was announced. Currently we have limited coverage of rural South Somerset confined to Making it Local (the area around Chard) and the Levels and Moors (most of Area North) and 2 parishes in of Area East through the Sowing Seeds Partnership. This meant that over half of the eligible areas in the district (including rural parishes in Area South) did not benefit from the last programme.

Last summer we agreed to look at ways to extend existing partnerships to reduce the amount of "white areas" rather than seek to create a new partnership.

### What is LEADER?

The European Union's (EU) Common Agricultural Policy (CAP) is a system of agricultural subsidies and programmes. It covers farming, environmental measures and rural development and is the EU's single largest common policy; accounting for more than 40% of the EU budget.

Pillar 1 provides direct payments to farmers and market control measures and Pillar 2 promotes rural development. Under Pillar 2, a minimum of 5% of each member state's rural development programmes are used to support the LEADER approach. In the last programme each LEADER area (most cover populations of 120,000 – 150,000 people) attracted around £1.8m, spread over 5 years. A similar sum pro rata is expected for the next round.

Launched in 1991, LEADER delivers Rural Development Programme (RDP) funding at a local level. It is underpinned by seven key features: (i) area based Local Development Strategies, (ii) bottom-up implementation strategies, (iii) local public-private partnerships /Local Action Groups, (iv) integrated/multi-sectoral actions, (v) innovation, (vi) cooperation, and (vii) networking.

LEADER mobilises local resources in ways that do not happen with traditional 'top down' approaches – people use the funding to make the best of assets and development opportunities.

On 11 April 2014, DEFRA published 'A National Delivery Framework (NDF) for LEADER 2014-2020'. This document sets out the requirements and expectations for the next programming period and includes: (a) information about how to prepare a LEADER application and what the selection process will involve, (b) the roles and responsibilities of those involved with LEADER and (c) relevant regulatory and operational requirements. The NDF also explains the policy priorities and measures that Local Development Strategies (LDS) are expected to meet along with some project examples. A LDS is a document created by a Local Action Group (LAG) and wider partnership that describes what LEADER aims to achieve in a given area. DEFRA will assess LDS as part of the competitive application process to receive the next round of LEADER.

Projects funded under the new LEADER Programme (2014-2020) will need to focus on delivering jobs and growth, 70% of all projects funded under LEADER will directly support the rural economy (e.g. through creating and developing micro and small sized rural businesses) 30% of projects will also need to demonstrate that they are contributing to improving the rural economy. The new Programme has 6 priorities.

(1) increasing farm productivity, (2) micro and small enterprise and farm diversification, (3) rural tourism, (4) rural services, (5) cultural and heritage activity, and (6) forestry productivity.

### **The Next Programme- Local LEADER Partnerships and Closing the Gaps**

The map attached shows the Boundaries of the current Levels and Moors & Making It Local LAG Partnerships. It also shows plans being developed to seek more coverage of white areas in South Somerset by the Heart of Wessex LAG Partnership (formerly Sowing Seeds):

- *The Levels and Moors* - is an established area stretching from A303 to the coast and minor boundary changes are proposed on its eastern edge which will consolidate full coverage of Area North
- *Making it Local* – Is based on the Blackdown Hills AoNB taking in Chard and western parishes of area West, it proposes to expand to take in a little more of West including the Ilminster area
- *Heart of Wessex* proposes to follow the A303/A30 corridor area into Wiltshire and cover the remaining, former white areas, of East, South and West in the Crewkerne area ( Yeovil is not eligible)

Some further advice has now been published by DEFRA which clarifies the status of hub towns. These are market towns with a population of more than 10,000 but generally less than 30,000, which can be included in LAG areas and whose population counts towards the 150,000 ceiling, but – do not attract any funding allocation. LEADER groups were required to define their area and submit a map and Excel sheet to DEFRA by Friday 23 May. Mendip has proposed an entirely new LAG for its area. A verbal update will be given at the meeting about the boundaries submitted.

### **Next Steps**

The prospective LAGs have been consulting with existing communities & businesses which benefitted from the last programme. Shortly they will also be consulting with businesses and communities in areas new to this programme. The focusing on jobs and growth to defining a LEADER area and to developing a LDS; will open up discussions around what rural development is and what European funding should be used for. Analysis of need and the consultation responses will inform and establish priorities for the individual LAGs Local Development Strategies, which need to be submitted to DEFRA by 5<sup>th</sup> September. This is a national, competitive process for a limited funding pot and sound bids can expect to be awarded funding in the order of £1.5m - 1.8m over a 5 year programme of support.

LAGs that have funded rural economy activities in the past will have to think carefully about how to continue to provide support to micro and small enterprises (address gaps and build upon learning and good practice from 2007-2013).

LAGs will need to align activities to Local Enterprise Partnerships (LEP), Local Authorities, Rural Growth Network Pilot areas, Rural and Farming Networks etc. The NDF calls for all Local Development Strategies (LDSs) to complement the activities of the relevant LEP/s and for the LEP/s to endorse LEADER applications in the form of a supporting letter.

### **Appointment of Councillor Representatives**

LEADER Partnerships have an Executive Group which is made up of a combination of representatives of businesses, agencies, communities and appointed councillors from local authorities. Each has slightly differing terms of reference tailored to local circumstances.

SSDC expects to be able to appoint councillor representatives to participate in each of the 3 prospective LAGs in line with their particular terms of reference. The appointment should be from the main Area of benefit: Level & Moors, Area North; Heart of Wessex, Area East; Making it Local, Area West.

The Area West Committee may appoint a member to the Blackdown Hills Partnership Management Group. This gives that member automatic membership of the Making it Local LAG Consultative and Advisory Group. That group elects representatives to the Making it Local LAG Programme Management Group.

It will be the responsibility of the Councillor representatives and supporting, advisory officers to ensure that information and views are transmitted to all areas involved in each of the LAG catchments.

**Financial Implications**

There are no financial implications at this stage. Any Officer time going into the bid process will be met within existing staff resources and by 'in kind' contributions.

**Corporate Priority Implications**

The Council Plan states that:

We want a strong economy which has low unemployment and thriving businesses. One of the stated ways we will address this is to:

Work in partnership to deliver investment and development that local people value.

**Carbon Emissions & Adapting to Climate Change Implications (NI188)**

In due course this designation could provide a way to supporting local employment and promote local produce/ services to our communities contributing to greater self-containment thereby reducing carbon emissions.

**Equality and Diversity Implications**

Rural communities are vulnerable to isolation from services and markets and face higher transport cost. This programme provides an opportunity to support locally important economic initiatives.

**Background Papers:** *DEFRA guidance documents for LEADER programme*

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