

NAME OF COMMITTEE	Economy and Environment Scrutiny Panel
DATE	13 November 2014
REPORT TITLE	Rural Development Programme for England (RDPE) 2007-2013 Programme Summary and RDPE 2015-2020 Update
Report of	Economic Development Officer
WARDS AFFECTED	All Wards

Summary of report:

This report is to inform Members of the outputs and outcomes of the South Devon Coastal Local Action Group (LAG) and the Greater Dartmoor Local Enterprise Action Fund (LEAF) funded under the Rural Development Programme for England (RDPE) – Local Action 2007-2013, which was concluded 31st December 2014, and to also provide background information on the development and progress of the RDPE - Local Action programme for the period 2015 – 2020.

Financial implications:

There is financial information provided within this report but no financial implications arising from this report.

RECOMMENDATIONS:

That the Scrutiny Panel notes the report with particular regard to the outputs and outcomes achieved for the RDPE Local Action Programme 2007-2013 and the update on the development of the RDPE Local Action Programme 2015-2020.

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Introduction:**1. Rural Development Programme for England (RDPE) - Local Action 2007-2013**

1.1 During the 2007 – 2013 programme, the Greater Dartmoor LEAF and South Devon Coastal LAG, brought a total of £3.8m of European funding in to the area to support projects that were focused on:

- Creating and growing businesses
- Innovative service provision and
- Bringing greater benefits from our unique environment

1.2 In total, over 200 projects were funded, and achieved the following results:

- Created over 80 full time jobs
- Supported over 650 businesses
- Provided over 1,000 free/subsidised training courses
- Attracted over 8,500 additional tourists and
- Provided new/improved facilities for 65 villages (e.g. community shops, village halls, etc)

Appendix A shows a list of the LAG projects supported under the 2007-2013 programme and

Appendix B shows a list of the LEAF projects supported under the 2007-2013 programme.

1.3 In addition to the European funding, a further £6.57 million of match funding was generated, most of it from the private sector. The final total overall programme value exceeded £9 million pounds.

1.4 The programmes were run through a partnership with South Hams District Council as Accountable body (responsible for financial probity and contract holders for the programmes), the Devon Renaissance (DR) Company as delivery body (responsible for management and administration) and groups of local volunteers as management teams for each programme (responsible for making decisions about how to invest the funding locally).

1.5 The programmes worked to exacting European and national audit standards, with detailed, rigorous procedures for the responsible management and disbursement of the funds to local projects that matched onto the Local Development Strategies.

1.6 The programmes were recognised as two of the most successful Local Action Groups of 64 nationally and both being awarded additional funding from the Department for the Environment, Food and Rural Affairs (Defra) as they progressed in recognition of this good performance.

1.7 Examples of projects include:

Dartmouth Market Regeneration Project:

- In August 2010 the LAG granted Dartmouth Town Council £100,000 towards their overall construction costs of £350,000 with the Town Council providing the match funding.
- The project created 6 new shop units, reshaped existing units and created a thriving community café and public facilities.
- The project employed local architects, builders and professionals and was completed in July 2011.
- The architect chosen to transform the grade II market building was Robert Seymour who managed to preserve the look of the original market which was built in 1828.
- The start up retail units were taken as soon as they became available but as demand exceeded supply there was a waiting list of 20 prospective tenants.

- The new shops and start up units have resulted in 6 new jobs being created.
- The Community Corner which has a kitchen area is now used 6 days per week.
- Dartmouth Caring runs a lunch club and acts as a meeting place for the elderly.

Young Business Growth (YBG) Project

The YBG project was developed as a 16 month pilot scheme, to specifically target young people aged 16-30 who wished to start up, or improve in business. The programme provided support to beneficiaries with grant funding as well as bespoke business mentoring.

Running in parallel to the YBG programme were two separately funded business support projects in the LAG and LEAF areas. These helped to provide some YBG applicants with support for business planning, cash flow forecasting and fund sourcing, before they applied for YBG grants.

The results:

- The pilot worked with 29 potential applicants
- Supported 12 businesses with funding, of which 8 were based in the South Hams.
- Created 9 new businesses, and
- Created 8 .8 FTE jobs, within the LAG and LEAF area.

This programme provided genuine additionality in supporting new businesses that would probably otherwise, not have gained funding, and generated valuable new jobs within rural areas which particularly lack employment opportunities for young people.

Although developed and delivered over a limited period of time, this pilot has shown that investment in young people in early stages of business development can be a viable basis for public intervention.

A YBG case study called 'Rory Sanders Plant' is attached at appendix C.

2.0 Rural Development Programme for England (RDPE) - Local Action Transition Period 2014

2.1 Funding of £70,000 was secured to develop two new local development strategies (LDS) covering the LEAF and LAG areas which were submitted to Defra on the 4th September 2014 to bid for RDPE – Local Action funding.

3.0 Rural Development Programme for England (RDPE) – Local Action 2015-2020

3.1 On the 11th September the Executive approved the following:-

- that the Council performs the function of Accountable Body for both the Greater Dartmoor Local Enterprise Action Fund (LEAF) and the South Devon Coastal Local Action Group (LAG) for the Rural Development Programme 2015-2020

- an annual contribution of £16,400 per year for 6 years, totalling £98,400 towards the costs of programme management and administration and project development from the Economic Initiatives Reserve.
- An annual report to be submitted to the Scrutiny Panel on the progress of the programme

3.2 The following table sets out the timescales for the procurement of a delivery body, decision of funding bids and programme commencement.

Actions	Timescale
The procurement of a delivery body	Commenced at the beginning of September 2014 and will be completed before Christmas
Defra will make a decision	Late Autumn 2014
The programme commences	January 2015

3.3 Defra provided the following guidance regarding the total amount of funding that could be made available for the two programmes and indicated that we should use the average figure for budgeting purposes when developing the local development strategies. Based on Defra's recommendation this would provide a total budget of £3.8m across the two programmes.

	LEAF	LAG
Min	£ 1,853,000	£ 1,446,000
Ave	£ 2,184,000	£ 1,635,000
Max	£ 2,623,000	£ 1,865,000

3.4 The calculation for funding Local Action Groups is based on the information below:

Basic minimum budget (calculated to ensure all LAGs sustainable) + top up budget:

- 15% based on rural population
- 20% based on rural density*
- 50% based on GVA compared with England average
- 15% based on sparse coverage*

* ONS definitions of density and sparsity are used for this formula

3.6 The 2015 -2020 programme is focused entirely on the economy. Outputs to be achieved include: Jobs created, business growth and productivity.

4. ISSUES FOR CONSIDERATION

This report is to provide information on the outputs achieved for the RDPE Local Action Programme 2007-2013 and to provide an update on the development of the RDPE Local Action Programme 2015-2020.

5. LEGAL IMPLICATIONS AND STATUTORY POWERS

Under the Localism Act 2011 General Powers of Competence the Council has power to promote the economic, social and environmental well-being of its area.

- RDPE – Local Action 2007-2013

The Accountable body was responsible for financial probity and contract holders and as such are required to keep all RDPE – Local Action 2007-2013 records at least until the end of 2021 or until such time as Defra gives authorisation to destroy the files.

- RDPE 2015-2020

A contract between the accountable body, a delivery body, South Devon Coastal Local action Group/Greater Dartmoor Local Enterprise Action Fund to be put in place.

5. FINANCIAL INFORMATION RDPE – Local Action 2007-2013

5.1 SHDC contributed an annual contribution to the delivery body of £27,000 per year for six years (£21,000 LAG contribution and £6,000 LEAF contribution) towards the management, administration and project development.

5.2 The funding came from the Economic Initiatives Reserves.

5.3 West Devon Borough Council and Teignbridge District Council each contributed £6,000 per year for six years to the LEAF. Dartmoor National Park contributed £3,000 per year for six years to the LEAF.

5.4 The value of the RDPE programme for the South Devon Coastal Local Action Group was £1,797,000 million

The value of the RDPE programme for the Greater Dartmoor Local Enterprise Action Fund (LEAF) was £1,996,000

5.5 Total project funding achieved for the LAG was £4,785,476
Total project funding achieved for the LEAF was £4,869,114

5.6 The Council as the Accountable body for the programme received an annual contribution from the RDPE programme of £10,000 per year (£5,000 LAG & £5,000 LEAF).

FINANCIAL IMPLICATIONS RDPE – Local Action 2015-2020

5.7 The Accountable Body takes responsibility for the legal and financial management of the grant disbursed to the programmes. As the organisation receiving the funding, the accountable body is therefore responsible for putting in place an audit trail, overseeing contract management with suppliers and ensuring that the projects has sufficient cashflow.

- 5.8 It is the Accountable Body's role to ensure that proper and effective Governance is in place, overseeing the allocation and spend of external funding streams.
- 5.9 In terms of financial benefits, the opportunity exists to benefit from £3,819,000 across the two programmes over the 5 years to 2020 to support eligible projects with an estimated overall value in excess of £9 million.
- 5.10 Further EU funding is likely to become available as the programmes progress, and will be awarded to the programmes performing most effectively. The local partnerships running these programmes have an excellent track record and plan to benefit from this opportunity.
- 5.11 The costs to the Accountable body for the 2015-2020 programme is £17,500 per year for six years which will be met fully through the management and administration budget allocated to the programme.

6. RISK MANAGEMENT

The Risk Management implications for 2015-2020 are shown at the end of this report in the Strategic Risks Template.

7. OTHER CONSIDERATIONS

Corporate priorities engaged:	Economy, Environment and Community
Considerations of equality and human rights:	N/A
Biodiversity considerations:	N/A
Sustainability considerations:	<ul style="list-style-type: none"> • The RDPE 2007-2013 programme contributed to more resilient and sustainable communities. • The RDPE 2015-2020 programme will contribute to a more resilient and sustainable economy.
Crime and disorder implications:	None
Background papers:	<i>None</i>
Appendices attached:	<i>LEAF Projects supported 2007-2013 LAG projects supported 2007-2013 Young Business Growth Case Study</i>

STRATEGIC RISK ASSESSMENT 2015-2020

No	Risk Title	Risk/Opportunity Description	Inherent risk status			Mitigating & Management actions	Ownership	
			Impact of negative outcome	Chance of negative outcome	Risk score and direction of travel			
1	Accountable Body Function	<p>Financial risk</p> <p>Funding opportunity of £3.8m across SHDC, WDBC & TDC</p>	4	2	8	↔	<p>Each successful project within the RDPE programme will be allocated a specific amount of funding. Should any of the projects exceed its allocation of funding this would be the responsibility of the project applicant.</p> <p>Funding for projects is paid retrospectively upon the provision of appropriate evidence which is inspected by Audit.</p> <p>10% of funding is withheld from partners & businesses until the project has been completely signed off.</p> <p>Monitoring and evaluation of the programme will be undertaken on a regular basis.</p> <p>Meets an economy delivery plan priority: Maximising Funding Opportunities.</p>	SHDC

							<p>The total project value is likely to exceed £9m</p> <p>The funding programme will be focused on the economy.</p>	
2	Programme Delivery	<p>Lack of project ideas.</p> <p>Capacity to deliver the programme</p>	4	2	8	↔	<p>Business workshops were held through June & July to gather project ideas to inform the creation of a local development strategy .</p> <p>Production of an effective communication strategy</p> <p>Sound Performance Management using proven processes and systems.</p>	<p>Responsibility for programme delivery yet to be decided.</p> <p>A procurement exercise is currently being undertaken for a delivery body.</p>
3	Officer capacity in view of other work pressures, as well as the capacity of partners	<p>Focused approach to work load. This project would be delivering key actions within the Economy Delivery Plan & adding value to the wider local economy.</p>	4	2	8	↔	<p>Procurement of a delivery body to carry out management, administration and project development by a company that will have a proven track record with sound performance management to increase the capacity of both the Council and its partners.</p> <p>Council officer capacity remains limited but has been effective throughout the last programme.</p>	<p>Delivery Body and SHDC</p>