

Report: UPDATE ON THE RURAL DEVELOPMENT PROGRAMME FOR ENGLAND (RDPE) 2014-2020

To: Overview and Scrutiny Panel

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Recommendations:

That the Overview & Scrutiny Panel RECOMMEND:

- 1. That all Members should note this report and promote the scheme as appropriate with local residents and businesses.**
- 2. That South Hams District Council continue to support the LEAF and LAG**

Background

South Hams District Council has contracted with the Secretary of State for the Department of Environment, Farming and Rural Affairs (DEFRA) and the Rural Payments Agency (RPA) to again become the accountable body responsible for the management and animation of the LEADER programme and the distribution of grants to local businesses meeting certain criteria.

Funding is provided partly through the European Agricultural Fund for Rural Development ("EAFRD") and through funding provided by Defra through the Rural Payments Agency.

The focus of this next rural programme will be creating jobs and helping the rural economy to grow, with the main areas for support being:-

- **Farming** – support for farm diversification / increasing productivity
- **Forestry** – support for increasing productivity and processing
- **Enterprise** – creation or development of micro and small businesses
- **Tourism / Rural Services / Cultural & Heritage activity**

South Devon Coastal Local Action Group (LAG)

South Devon Coastal LAG is a partnership originally set up in 2008 to invest in economic, environmental and community based projects to encourage innovation and promote the prosperity of the rural coastal area between Plymouth and Exeter.

Greater Dartmoor - Local Enterprise Action Fund (LEAF)

Greater Dartmoor Local Enterprise Action Fund (GD LEAF) is a partnership also originally set up in 2008 to invest in economic, environmental and community based projects to encourage innovation and promote the prosperity of the Greater Dartmoor area.

Applicants must first complete an expression of interest, followed by a full application including business plans including financial forecasts. The applicant must provide evidence of their funding sources, as grant applications cannot exceed more than 40% of total project value.

*Further information about the RDPE LEADER programme can be found in **Appendix 1**.*

Current Position

South Hams District Council has been awarded €1.895 million to allocate to projects in the South Devon Coastal area and €2.465m to allocate to projects in the Greater Dartmoor area - €4.36m in total. (NB: stated in Euro as this programme distributes European funds).

These amounts include the cost to deliver the schemes which will be completed in conjunction with our contracted programme managers, the DR company (The Diverse Regeneration Company CIC). The net amount available to prospective applicants is €3.73m after all of the animation and running costs have been accounted for.

These funds must be allocated and claimed by the end of the programme, which is scheduled for 31/12/2020, with final payments to South Hams due by 30/6/2021.

Applications are now being accepted – however this is on a “soft launch” basis. A full launch will follow later this year / early in 2016. This is because over 100 early expressions of interest have been received and these are being categorised and followed up first. The first project decision making meeting is expected to be held in early February 2016.

Decisions on the granting of applications are made by the South Devon Coastal LAG and Greater Dartmoor LEAF boards. Both the LAG and the LEAF boards have representation from local members in South Hams and West Devon, along with volunteer members of the local community.

It is anticipated that the bulk of monies granted will be paid in years 2, 3 & 4 of the programme, due to the lead in time of marketing the scheme, assisting applicants with their business plans and appraising applications along with the subsequent fulfilment and implementation of the projects.

Prospective LAG applicants should be directed to email sdclag@drcompany.co.uk for further details or view www.drcompany.co.uk/local-action-groups/sdclag/

Prospective LEAF applicants should be directed to email gdleaf@drcompany.co.uk for further details or view www.drcompany.co.uk/gdleaf/

Expected Outcomes

The delivery plan for each of the schemes anticipates the following outcomes over the 5 year period (as a minimum):

	LAG	LEAF
<i>No. of Projects</i>	44	61
<i>Rural population Benefitting</i>	37,500	47,500
<i>Jobs Created</i>	56	70

Regular reporting will be shared with members through the O&S Panel to share performance of the programme.

Appendix 1

What is LEADER?

The LEADER scheme is part of the Rural Development Programme for England (RDPE) and is funded by the European Agricultural Fund for Rural Development (EAFRD). Money from the programme is given to Local Action Groups (LAGs) so that they can award grants locally to businesses and organisations that apply for it. The Rural Payments Agency (RPA) manages the LEADER scheme nationally and will make the payments to successful applicants.

A LAG is made up of local public, private and civil society representatives, who work together to fund projects that help to improve their local rural economy. LEADER is a French acronym which roughly translates as 'Liaison among Actors in Rural Economic Development'.

Under LEADER, Local Action Groups (LAGs) can allocate grant funding to local businesses and organisations to help them carry out projects which create jobs, help the business to grow and which benefit the rural economy.

There is no automatic right to a LEADER grant and not all applications will be successful.

What will LEADER fund?

LEADER will fund farmers, growers, foresters, other local rural businesses and rural community organisations to help:

- create jobs;
- develop rural businesses; and
- support the rural economy.

To be successful, applications must contribute to one or more of DEFRA's 6 priorities for LEADER, which are to:

- increase farm productivity;
- support micro and small businesses and farm diversification;
- boost rural tourism;
- provide rural services;
- provide cultural and heritage activities; and
- increase forestry productivity.

How much funding is available?

The grant amount will depend on:

- the type of project;
- the size of the business; and
- the costs involved (NB: not all the costs of a project may qualify for funding).

Applications must be for a grant of at least £2,500. The maximum grant amount will vary between priorities as determined by European funding rules. Grants will typically be limited to a maximum of 40% of the project's total eligible costs.

Following the terms of a grant funding agreement

Successful applicants who are offered a grant will need to follow the terms of the grant funding agreement throughout the whole period – and for 5 years after the date of the final payment. This will be explained in more detail when a grant is offered. If the terms aren't followed for the entire period, the LAG may withdraw the grant offer or recover some – or all – of the money paid.

Paying for the project

Grant payments are paid in arrears and therefore applicants need to demonstrate that they have sufficient funds to pay for the project costs until grant payments are received. It is expected that a maximum of 3 claims will be paid per project.

Grant payments can only be claimed

- in agreed stages (typically quarterly); and
- after the work being claimed for is complete and paid for.

If any equipment used in the project is bought using lease purchase or hire purchase, applicants must own the equipment outright before any grant money is paid towards it. That means that the applicant will need to have paid all instalments for the equipment and show that title to the equipment has passed to them before being paid any grant money towards it.

Who can apply?

To apply for LEADER funding the applicant, or their project or beneficiaries - must be in a LAG area.

Not all of the Rural Areas in England are covered by a LAG. A map of the LAG & LEAF areas can be found at www.drcompany.co.uk

Applications can be made by farmers, growers, foresters, other local rural businesses and rural community organisations who are in a LAG area. They can be:

- private businesses;
- public organisations;
- voluntary organisations; or
- someone who wants to start a business.

Applicants must be a 'legal entity' and able to sign a legally binding contract.

Applicants can apply for more than one grant from the South Devon Coastal LAG as long as they are for different projects. The grant amount and eligibility will depend on the size of the business. The size of the business depends on the number of full-time equivalent (FTE) employees it has and its financial performance.