

**Proposed Key Decision to be taken by the
Deputy Leader
on or after 22nd August 2014**

**Application to Defra for LEADER Funding 2015-2020 for Central and
South Warwickshire**

Recommendations

That the Deputy Leader approves:

- 1) That Warwickshire County Council commits, as current Accountable Body, to an application for funding for the next LEADER programme being submitted to the Department for Environment, Food and Rural Affairs (Defra) up to a value of £2.295 million;
- 2) The principle of Warwickshire County Council continuing as the Accountable Body for the duration of the next programme; and
- 3) That a report is brought back to Cabinet later in the year asking for approval to the delivery arrangements and the grant agreement with Defra.

1.0 Context

1.1 LEADER funding sits alongside more than £120 million outlined in the European Structural and Investment Funds (ESIF) coming into the sub-region over the next 7 years, some of which is ring-fenced for rural areas. The SEP (Strategic Economic Plan)/ESIF report to Cabinet in March laid down the strategy for economic growth and the principle of WCC acting as Accountable Body for elements of the delivery of the SEP/ESIF. This is the first application to come forward since that Cabinet endorsement.

1.2 WCC has agreed a new One Organisational Plan for 2014-2018 that has economic growth as a key corporate priority. Supporting Warwickshire Economies, including rural economies, is one pillar of activity that has been identified in support of economic growth:

“The rural economy of Warwickshire is dynamic; it supports 18,500 businesses, contributes 31% of total employment in Warwickshire and 33% of the total GVA. However, there are a number of recognised barriers to growth in our rural areas and rural businesses often have particular issues and need different support to their urban counterparts. This priority would build on the work we have done to-date as one of only five Defra Rural Growth Network pilots in the country”. (Economic Growth: Vision and Key Priorities: Corporate Board 11th June 2014)

1.3 LEADER is only one part of what needs to be a single, coherent and effective growth programme in Warwickshire. This includes a significant amount of funding that will be available to support economic growth in rural Warwickshire in the coming years through ESIF. WCC will look to work with local partners to align and coordinate funding so as to deliver on key strategic priority issues.

2.0 Background

2.1 WCC delivered a rural LEADER programme in Rugby and Warwick districts as part of the 2007-2013 European RDPE (Rural Development Programme for England) that was 50% funded through European funding and 50% through Defra. This was delivered by Garden Organic at Ryton-on-Dunsmore with WCC as the Accountable Body. Rural areas are any villages or small towns with less than 10,000 inhabitants. LEADER delivers a key component of the Rural Development Programme with the focus being on local people addressing local challenges.

2.2 The programme is currently in a transitional year with Defra funding existing LAGs (Local Action Groups) to ensure that expertise is not lost, that applications can be developed and also that the next funding can be brought on stream more quickly than in previous programmes. These LAGs form the Executive decision making group and comprise of at least 51% non-public sector members that each bring a particular level of expertise to the group. At this stage WCC has only agreed to be the Accountable Body until the end of the transitional year. The partnership with Garden Organic was also extended by a year to the end of the transitional year. A key component of this transition year is for a Local Development Strategy (LDS) to be developed that will describe our approach and how we intend to meet the objectives of the 2015-20 programme.

2.3 The 2007-13 programme was restricted by Advantage West Midlands to a social cohesion and community provision including growing, arts and links to land based industries. Whilst this was successful in providing up to about 200 different projects for the funding of £1.2 million, it did not have the focus on jobs and economic growth that programmes in other parts of the country did.

2.4 Defra want to include more rural areas in the 2015-20 programme and taking account of this our LAG started negotiations at an early stage to bring Stratford-upon-Avon District into the programme. Stratford received no funding under the previous programme. North Warwickshire Borough Council is developing its own programme with parts of Leicestershire.

2.5 The programme and the LAG will embrace the Local Nature Partnership into its strategic development to influence the social and economic value of the natural environment.

2.6 The next LEADER programme has jobs and economic growth as its central core and as referenced above this presents a change as well as a challenge for our LAG given the focus of the previous programme. The 2015-20

programme presents an opportunity to deliver against key CWLEP and WCC objectives for economic priorities and these specified by Defra are as follows:

- Farm productivity (20% indicative allocation)
- Micro and small enterprises and farm diversification (40%)
- Forestry productivity (10%)
- Rural tourism (20%)
- Cultural and heritage activity (5%)
- Rural Services (5%)

3.0 Key issues

- 3.1 Rural areas traditionally have struggled to attract the same level of funding as urban areas. It is important to ensure that this programme's resources are maximised by aligning LEADER with other funds available to the LEP such as ERDF, ESF, EAFRD and Lottery funding thereby giving the opportunity to secure additional funding.
- 3.2 Whilst the overall European funding programme for 2014-2020 has a similar focus on economic growth as the last, there has been a change as far as what the LEADER programme is expected to deliver especially in the West Midlands. Whilst the fundamentals of a community-led bottom up approach remains it will need to be within the context of jobs and growth. This will mean a change in approach for our LAG and Defra require the Local Enterprise Partnership to sign off the finalised LDS before submission.
- 3.3 Defra want to extend the coverage of the LEADER programme across all of rural England. There are issues with this though, as it is envisaged that there will be no additional LEADER funding when compared to the last programme. Indicative allocations indicate sums between £1.66 million and £2.295 million for the Stratford, Warwick and Rugby rural areas across the 6 Measures for a six-year programme. This compares with £1.195 million across Rugby and Warwick areas for the previous 4-year programme.
- 3.4 Part of the funding can be allocated to all delivery partners for management and administration costs. These cannot exceed 18% of the gross LEADER funds. The implications of this are that the lower the grant that is approved by Defra, the shorter time scale we would have to deliver a viable programme.
- 3.5 WCC as the current accountable body will be working with LAG members and the current delivery partner to secure an LDS that is designed to maximise the community and economic growth outcomes against the framework set by Defra.

4.0 Options Proposal

- 4.1 For the purposes of making an application, we are assuming that WCC will remain as the Accountable Body with Garden Organic as the Lead Body for the new programme, although this may change. A proposal will come forward to Cabinet in a subsequent paper that details an approach for the delivery and accountability of LEADER 2015-2020 following negotiation with the current LAG and other stakeholders.

5.0 Timescales associated with the decision/Next steps

- 5.1 The deadline for submitting the application and LDS to Defra is Friday 5th September. A process is in place to secure CWLEP endorsement in time for this deadline. Deputy Leader approval is required from WCC for the application to go CC are to remain as the accountable body.
- 5.2 If successful the funding would be in place to use from 1st January 2015. The exact length of the programme would be determined by the level of funding allocated to Central and South Warwickshire.

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