



## **CABINET – 12TH NOVEMBER 2014**

**SUBJECT: RURAL DEVELOPMENT PLAN (RDP) FUNDING 2014-2020**

**REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE**

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### **1. PURPOSE OF REPORT**

- 1.1 To inform Cabinet on the developments of the new Rural Development Plan (RDP) and to recommend that they endorse a number of processes that are underway in order to access funding under the new RDP LEADER programme.

### **2. SUMMARY**

- 2.1 Under the current programme (2007-13) the local LEADER element of the RDP is delivered by the Countryside and Landscape Service. LEADER is effectively a rural regeneration programme aimed at working with rural people, communities and businesses to develop projects and ideas and add value through networking and local supply chains. LEADER is overseen by a Local Action Group (LAG), which is an informal steering group of local stakeholders.
- 2.2 Under the new LEADER programme the Welsh Government (WG) is expecting areas to deliver some or all elements in partnership to realise efficiencies in the management and administration of the programme. For this reason Caerphilly has been leading on the development process in a joint initiative with Blaenau Gwent, which is new to the RDP and only has two eligible wards. CCBC would fulfil the role defined as Administrative Body, which is to be responsible for the overall delivery of the programme, financial propriety and compliance, and other functions prescribed by WG.
- 2.3 Each defined area must be covered by a constituted Local Action Group (LAG) that is tasked with delivering LEADER with one set of projects delivered through one indicative allocation. The Administrative Body will undertake a range of programme management functions including competent financial planning and compliance with all necessary legal and regulatory requirements. A proposed joint Caerphilly and Blaenau Gwent project would receive an indicative allocation of at least £2.643m and more likely £3.172m over 7 years. This would require matchfunding of up to £105,000 p.a., which can be met through existing budgets.
- 2.4 A draft Local Development Strategy (LDS) has been prepared, and submitted to WG, outlining the proposals for joint working, management of the programme, establishing a new LAG and intentions for the development and delivery of projects.

### **3. LINKS TO STRATEGY**

- 3.1 The RDP LEADER programme is a regeneration initiative for rural areas delivered through community engagement and development. It has a broad set of themes including natural and cultural resources, micro enterprise support, basic services for communities and community energy. As such it contributes to a range of local economic, regeneration and social inclusion strategies and a number of priorities within the Single Integrated Plan.

## 4. THE REPORT

- 4.1 Under the current programme (2007-13) the RDP is delivered locally through two streams, termed Axis 3 and Axis 4. Axis 3 funds a number of separate projects being delivered by some third party organisations as well as CCBC Services. Axis 4 provides the funding for LEADER, which is a French acronym (Liaison Entre Actions de Développement de l'Économie Rurale) meaning 'links between the rural economy and development actions', and is essentially a community based regeneration programme for rural areas. LEADER is being delivered by the Countryside and Landscape Service, which is also now providing the lead for the whole RDP programme in Caerphilly, and is aimed at working with rural people, communities and businesses to develop projects and ideas and add value through networking and local supply chains. LEADER is overseen by a Local Action Group (LAG), which is effectively a steering group of local stakeholders, including the Cabinet Member for Regeneration, Planning and Sustainable Development. The programme is supported by Corporate Finance, Environment Finance and Urban Renewal.
- 4.2 Under the new RDP there is not going to be an Axis 3 element and only LEADER will be delivered directly at a local level. For LEADER there is almost certainly going to be an indicative allocation to local areas. The RDP itself is currently not finalised but at present the overall budget for LEADER within the RDP is 5% (the statutory minimum), which would give Caerphilly an indicative allocation of around £2.5m. It is more likely that the budget will be 6% meaning an indicative allocation of some £3m. Up to 25% of this can be used at a funding rate of 100% for administration, management and animation (strategic and project development) of the local programme. The remaining 75% can form up to 80% of the funding for delivery. The programme is due to start early in 2015 and runs for seven years to 31<sup>st</sup> December 2021.
- 4.3 For the new programme WG are expecting areas to join together at least for the administrative functions involved in order to realise some cost efficiencies. Discussions have therefore been held with officers from Blaenau Gwent, which is new to the RDP and, because it only has two eligible wards, is not able to form a programme of its own, about having a joint programme, led by Caerphilly. Welsh Government have confirmed that in principle the proposed joint arrangement with Blaenau Gwent meets their requirements for joint working. A further detailed Report will be presented to members following receipt of the Welsh Government guidance. Blaenau Gwent's proposed participation in the programme will also attract a small additional indicative allocation. A joint Caerphilly and Blaenau Gwent programme would attract an indicative allocation of £2.643 with a 5% budget and £3.172m with a 6% budget. Matchfunding will be sought from Blaenau Gwent and an SLA drawn up to govern the funding and delivery arrangements. Similar arrangements are being made across Wales, for example Monmouthshire is leading on a programme with Torfaen and Newport, and Merthyr Tydfil is leading a joint programme with Rhondda Cynon Taf.
- 4.4 In order to participate in the LEADER programme and access the funding available two main steps are required. Firstly, a new LAG needs to be formed and formalised. This will be based largely on the active Caerphilly LAG for the current programme. Current membership is compliant with the new guidelines but new membership would be required to reflect the inclusion of Blaenau Gwent and WG are requiring LAGs to be established as formally constituted groups with an enhanced role. Guidance is being sought from Legal Services about constituting the LAG and its reporting status.
- 4.5 Secondly, a Local Development Strategy (LDS) needs to be approved by WG. The LDS is a combined strategy, action plan and business plan outlining the proposals for joint working, management of the programme, establishing a new LAG and intentions for the development and delivery of projects. An LDS has been prepared in broad consultation with officers, LAG members, stakeholders and the general public and has been submitted to WG by its deadline of 30<sup>th</sup> September 2014. The LDS is recognised as being a draft document subject to amendments and revisions during a process of negotiation and clarification, as well as final confirmation of the LEADER budget and other guidance from WG. Final details will be reported to Cabinet in due course, which we anticipate will be in January or February 2015.

- 4.6 It is anticipated that, following this process, the LDS will be approved in time for funding to start being drawn down in January 2015. Following this it is anticipated that WG will require reporting on a quarterly basis to monitor progress on spend and delivery.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 Equalities issues are addressed through the RDP LEADER programme. Equal Opportunities, Tackling Poverty and Exclusion, and the Welsh Language are all cross cutting themes within the Local Development Strategy and form part of the criteria against which the submission will be assessed. Current RDP project work also supports the Council in achieving a number of the Council's own Strategic Equality Objectives, particularly SEO 3 (Physical Access) and SEO 4 (Communication Access).

## **6. FINANCIAL IMPLICATIONS**

- 6.1 There are various possible financial outcomes depending on the final budget allocation to LEADER and whether the proposals within the LDS are approved in full. Assuming the budget allocation to LEADER is set at 6%, as anticipated, and that the LDS is approved in full a matchfunding budget of no more than £105,000 p.a. will be required to secure full delivery of this programme. It is believed that this amount could be reduced by securing other funding sources during the life of the programme but this cannot be confirmed at this early stage.
- 6.2 Currently, the RDP programme operates with a budget of £116,000. Therefore the maximum funding requirement for the new programme represents a £11,000 p.a. (9.5%) saving on current budgets, which has been identified, subject to Cabinet and full Council approval, as a budget saving in 2015/2016 to help support the Councils Medium Term Financial Plan (MTFP).
- 6.3 The costs to CCBC associated with being the Administrative Body are met through set budgets within the indicative allocation. These costs are 100% funded, subject to eligibility, and principally include officer time in Corporate Finance and Regeneration and Planning together with costs associated with running the LAG and promoting the programme. Further details will be provided to Members in the subsequent Report to Cabinet

## **7. PERSONNEL IMPLICATIONS**

- 7.1 Due to the unknown outcome of the approval by WG of the LDS and the funding implications on staff and projects, all RDP staff have been advised that they are, or will be, placed on redundancy notice, in line with appropriate policies, as a necessary contingency should the funding not be approved by 31<sup>st</sup> March 2015. The LDS has been structured to provide funding for all these staff but it is dependent on the approval of the proposals by the Welsh Government and whether there are sufficient CCBC budgets in place to matchfund all the costs. At current levels the existing budgets will meet the core matchfunding requirements of the programme.
- 7.2 The above staff will fulfil a range of roles within the programme, including Administrative Body functions and elements of project delivery. The LDS also includes apportionments of a number of Corporate Finance officers totalling around 40% of a full-time equivalent post to the Administrative Body role.

## **8. CONSULTATIONS**

- 8.1 All responses from consultations have been incorporated in the report.

## **9. RECOMMENDATIONS**

- 9.1 Cabinet is asked to:
- 9.2 Endorse the approach of working with Blaenau Gwent on the LEADER element of the RDP 2014-2020 with Caerphilly acting as the Administrative Body.
- 9.3 Endorse the establishment of a formally constituted Local Action Group to serve the purposes of the funding. The formation of the LAG will be in line with guidance from WG and Legal Services.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To ensure that Caerphilly county borough continues to benefit from the funding and opportunities offered by the RDP LEADER programme.

## **11. STATUTORY POWER**

- 11.1 Local Government Acts 1972 and 2000.

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Gail Williams – Acting Head of Legal Services & Monitoring Officer  
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Background Papers:

Caerphilly & Blaenau Gwent LEADER 2014-2020 Local Development Strategy  
Welsh Government RDP 2014-20 Guidance Notes

Appendices:

Appendix 1 – List of acronyms and examples of activities under the current LEADER programme