

THE OVERVIEW AND SCRUTINY COMMITTEE

20 May 2013

FIELDFARE LEADER FUNDING AND THE FUTURE

REPORT OF HEAD OF ECONOMY AND ARTS

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RECENT REFERENCES:

[OS038 - Final Report of the LEADER Informal Scrutiny Group - 28 May 2012](#)

EXECUTIVE SUMMARY:

On 28 May 2012 the final report of the LEADER Informal Scrutiny Group was presented to The Overview and Scrutiny Committee. It was agreed that a further report be brought to the Committee in May 2013 to update Members on progress towards implementing the recommendations as set out in that report.

This report also looks ahead to the significant changes and challenges the Local Action Group and its partners face in the coming two years. The existing round of LEADER funding is due to end in December 2013, and guidance on bidding for further funding for 2014 onwards has not yet been released. The Local Action Group is doing all it can to prepare to bid for this funding, but delays in this process increase the risk to the group.

RECOMMENDATIONS:

- 1 That the Committee note the progress to date in implementing the recommendations of the LEADER Informal Scrutiny Group.
- 2 That the Committee notes the changes to the Leader Programme during 2013/14 – 2015/16 and raises with the Portfolio Holder any comments that it may have over these arrangements

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### FIELDFARE LEADER FUNDING AND THE FUTURE

#### REPORT OF HEAD OF ECONOMY AND ARTS

##### DETAIL:

##### 1 Introduction

- 1.1 In May 2012 the final report of the LEADER Informal Scrutiny Group was presented to The Overview and Scrutiny Committee. It was agreed that a further report be brought to the committee in May 2013 to update Members on progress towards the recommendations set out in that report. This report provides an update on those recommendations, and sets out future plans for the Fieldfare Local Action Group and for LEADER funding.
- 1.2 LEADER is a delivery mechanism for the Rural Development Programme for England ([RDPE](#)), and forms part of the [European Commission's rural development activity](#). Funding is administered by local action groups (LAGs) under contract to the Department for Environment, Food and Rural Affairs (DEFRA).
- 1.3 The Fieldfare LAG is a voluntary group of experts in rural affairs who meet regularly to guide the spending of LEADER funding for the Winchester and East Hampshire area. Winchester City Council is the Accountable Body for this funding, holding the contract with DEFRA, bank rolling grant payments and employing the programme team on behalf of the LAG.
- 1.4 The past year has seen a number of developments in relation to the Fieldfare LEADER initiative:
  - a) An apprentice has been employed to assist the Programme Team. She is the first apprentice employed by a LEADER group in the UK, and has been instrumental in constructing case studies of grant-funded projects, and keeping the LAG's profile high through social media channels. She has also added value to the wider City Council apprentice scheme through co-ordinating the apprentices' community project;
  - b) A total grants allocation of £1,559,393 has been awarded to 136 projects across the area (81 of which are within Winchester District, at a value of £937,499);
  - c) Over 100 projects have undergone audit visits to date in compliance with the LEADER funding rules. All projects will be visited at least once during their lifetime;

- d) Officers are working with the LAG to participate in national discussions about the future of the LEADER programme, and to consider emerging Government announcements about the scope and timetable for the next round of funding. The current contract comes to an end in December this year;
  - e) Government is considering providing some additional funding for projects in the Fieldfare area – from the national underspend of £2 million on the current programme – in recognition of the LAG’s success in distributing its original allocation.
  - f) Fieldfare continues to attract national attention for the quality of its programme. It was selected to host a visit by the Director or the RDPE (Sarah Hendry) on Friday 3 May 2013, and the Programme Manager has been invited to represent LEADER groups from across the South East at forthcoming conference on the future of the RDPE with Owen Patterson, Secretary of State for Environment, Food and Rural Affairs.
- 1.5 An Informal Scrutiny Group (ISG) carried out a mid-term review of the City Council’s role in the Fieldfare LEADER initiative in late 2011/early 2012. This report is primarily intended to reflect on progress against the recommendation made by that ISG but it also provides an opportunity to update Members about future plans for LEADER and the Fieldfare LAG.

## 2 Informal Scrutiny Group Recommendations

- 2.1 The report back to The Overview and Scrutiny Committee (Report OS038, 28 May 2013 refers) contained a number of recommendations. These are set out in bold below, with an update of subsequent progress in each area during the last twelve months.
- 2.2 ***That Cabinet request Heads of Teams in consultation with the relevant Portfolio Holder and Head of Finance, to actively seek out relevant funding opportunities in order to deliver the outcomes in the Change Plans.***

All Heads of Team have been tasked with making savings and raising income wherever they can. Funding sources are regularly investigated, including Regional Growth Fund from the Local Enterprise Partnerships, and other, smaller, funds. It is clear that there are funds available for projects, but that officers feel that they lack the time, skill or confidence to make the most of many of these – especially as applications for funding are speculative and may not yield results, causing time spent on bids to be seen as time wasted. However, there is evidence – especially from the PUSH Quality Places Delivery Panel – that significant funding can be found, and can potentially cover the costs of the member of staff (or consultant) bidding for them. This is currently being considered by officers, alongside the future of the LEADER programme.

- 2.3 ***That Cabinet delegate responsibility to the Head of Economy and Arts in consultation with the [then] Portfolio Holder for Local Economy, Tourism, Communications and Special Events, to allocate resources to bidding for future funding streams in support of the rural economy and market towns as opportunities arise.***

Notwithstanding the availability of many other grants, officers still consider that the best opportunity for future rural funding would come from a further round of LEADER funding. This is because of the duration of the programme (five years), the amount of money which can be made available through it and the return on investment secured through the private match-funding which is a condition of any grants. (Under the current Fieldfare programme, each £1 of LEADER grant has generated a further £7 of investment in the rural economy.) The next round of LEADER money is not expected until 2015, so DEFRA has put in place 'transition funding' for the calendar year 2014. The Fieldfare LAG will bid for this funding. Further information is in paragraph 3 below. Both transition funding and new LEADER allocations from 2015 will be subject to a bidding process, and neither is guaranteed for the Fieldfare LAG.

- 2.4 In terms of other funds to support the rural economy, the Economy and Arts team helped to bring about the creation of the Bishop's Waltham Town Team which was eligible to bid for Portas Pilot funding. Although the Team was not awarded one of the national grants of £100,000, it did secure Town Team Partner status and an award of £10,000. This is being matched by Bishop's Waltham, Denmead and Wickham Parishes, and also Winchester City Council, in order to fund a new Market Towns Development Officer who began work earlier this month. She will be expected to apply for external funds to pay for projects as part of her brief.
- 2.5 The other, very significant, boost for the rural economy has been Winchester City Council's participation in the county-led project to roll superfast broadband out across the rural areas of Hampshire. The Council's investment of £139,000 has been part of a £20 million funding package which includes £5 million in external funding from Broadband Delivery UK and £3.73 million from Hampshire County Council (PHD 476, 13 March 2013 refers).
- 2.6 ***That Cabinet considers how best to support the LAG in developing its work beyond the current LEADER funding allocation, by remaining key stakeholders in the LAG, and recognising the LAG as a 'key client'.***

The Deputy Leader and Head of Economy and Arts sit on the LAG steering group. The latter also sits on the grants appraisal panel, and is involved with further working groups on specific tasks associated with the LAG. The future of the LAG is an ongoing discussion at these meetings, and between officers and Members, as it is felt that the benefit of the Fieldfare LAG to the rural community since 2008 has been vast. The LAG has been part of national discussions about the future of LEADER, and it is recognised by DEFRA that there is a need to retain the capacity and expertise of the LAGs for the next round of funding. The Fieldfare LAG is currently considering formalising its existence – possibly as a Community Interest Company or similar – which would enable it apply for other funds whether or not it successfully bid for

more LEADER monies. It values the support and technical advice of the City Council as the Accountable Body, and is likely to wish to work with a similar body in future.

- 2.7 ***That Cabinet delegate responsibility to Heads of Teams to ensure that any future funding programmes have criteria to measure success agreed with the funders in advance, so as to avoid undue staff time renegotiating such criteria with the funders at a later stage.***

The lessons from this round of LEADER funding have been learned, and such negotiation will be had in future at the beginning of a funding contract.

- 2.8 ***That Cabinet acknowledge the wider benefits to the local economy of the Fieldfare LEADER programme, and be reassured that Winchester City Council's investment into the scheme has been well placed.***

Cabinet has acknowledged the benefits of the LEADER programme, and the investment Winchester City Council has made.

### 3 Transition period to the next round of LEADER funding

- 3.1 DEFRA announced in January 2013 that they would offer £30,000 - £40,000 per LAG to fund the transition period from January – December 2014, on the anticipation that the new programme will begin in January 2015. The guidance from DEFRA on how to bid for this funding has been delayed and is now expected by the end of May 2013.
- 3.2 It is expected that the work of the LAG during 2014 will consist of the following areas:
- a) Preparing a Local Development Strategy which will form the base information for a bid for further LEADER funding in 2015 onwards. This will involve detailed consultation with rural communities in the District (set out in paragraph 4 below), and bringing stakeholders on board to guide the future work of the LAG.
  - b) Making the LAG fit for purpose for 2015 onwards. The current membership of the LAG may be subject to change depending on the results of the consultation exercise, and the priorities for the LAG which become apparent through this process. Building a robust LAG with members who are trained in the understanding of LEADER funding is vital to the smooth start of a future LEADER programme. The LAG may also need to become a more formal group in order to be eligible to bid for future funding streams.
  - c) Determine the geographical area the LAG will cover in the future. It is possible that the Fieldfare LAG could expand to include Test Valley Borough Council, and southern parts of Basingstoke and Deane Borough Council, or indeed a wider area. However, the LAG may also decide to have much broader, or even no, geographical boundaries, but instead become a topic-focussed LAG, with the potential of

fisheries based around river systems and tributaries, or local food for example.

- d) Identify projects which constitute appropriate solutions to the issues identified in the Local Development Strategy, and prepare these for bidding for funding in order to start promptly in January 2015.
- 3.3 Transition funding will impact on the programme team. The team are currently employed on fixed term contracts until December 2013. Unless further funding is awarded to continue their roles, the team members' employment is uncertain. If the transition funding is achieved, the LAG will have £60,000-£80,000 to spend on the work set out in paragraph 3.2 above. More information about the transition programme, including the required content for expressions of interest, can be found at <http://rdpenetwork.defra.gov.uk/assets/files/LEG/Kate%20Parsons.pdf>
- 3.4 Transition funding would be required to employ the existing Programme staff for the year to develop the new LEADER bid, and also to pay for associated costs with doing so such as publicity materials, the costs of consultation events etc. The transition funding must be match funded. It is anticipated that key stakeholder organisations will be approached to offer match funding during the calendar year 2014. It is unclear whether this will need to be from private or public sector sources at this time.
- 3.5 The Rural Development Programme Assistant is an apprentice employed on a one year contract to August 2013. It is currently anticipated that this apprenticeship will end in August as there will be no guarantee of funding for a further year. The Council's apprenticeship programme provides support to all its apprentices in determining their next steps and/or finding further employment.
- 4 Consultation for a new Local Development Strategy
- 4.1 As indicated above, any transition period would focus on preparing a Local Development Strategy for the LAG, and from that a bid for the next round of LEADER funding. This will involve considerable consultation with key stakeholders. A very wide variety of stakeholder groups have already been identified by the LAG based on their interest area, geography or influence over the local rural business community. It is anticipated a three-pronged approach to this consultation will be used:
- a) An online survey promoted to the public with associated publicity. This will allow the LAG to seek input from a wide range of people, including those who have not been engaged in the previous programme.
  - b) An event (or events) to consult with stakeholders and representative groups in order to gather more detailed input into specific issues the LAG needs to work on in future. Delegates will also be signposted to the online survey should they want to contribute further.

- c) Visiting selected key stakeholder groups at their own meetings and events, in order to gain insight from those not engaged in the above methods. This is the most time consuming element, and will therefore be limited to key stakeholders, rather than to every group identified as having an interest in LEADER.

#### OTHER CONSIDERATIONS:

#### 5 SUSTAINABLE COMMUNITY STRATEGY AND CHANGE PLANS (RELEVANCE TO):

- 5.1 The LEADER programme supports delivery of the Community Strategy outcome of 'A Prosperous Economy'. It reflects the ambitions of the Winchester District Economic Strategy 2010-2020, specifically theme two, "We are building a low carbon economy, seeking competitive advantage and sustainable employment opportunities for local people."

#### 6 RESOURCE IMPLICATIONS:

- 6.1 The ISG's final report included an estimation of the costs of the LEADER programme in terms of time spent by officers in managing the Programme Team, administering finance, bankrolling payments and so on. This update does not seek to review that information.
- 6.2 However, it is likely that there may be a call for Winchester City Council to match fund part of the transition period in 2014, and there would be officer time required to manage the transition period bidding process and ongoing arrangements, and in managing the further LEADER funding round bidding process and ongoing arrangements.
- 6.3 Once the full information about bidding for future funds is issued by DEFRA, officers will be in a position to bring a full report to Cabinet which will identify costs and benefits of any transition period and new LEADER programme.
- 6.4 Should the LAG be unsuccessful in securing transition funding, redundancy costs for the two Programme staff on fixed term contracts are allowed for (to a maximum of £5,000) within the LEADER programme. There is no redundancy cost for the apprentice, whose contract finishes in August 2013.

#### 7 RISK MANAGEMENT ISSUES

- 7.1 This paper is intended to reflect progress against ISG recommendations. There are no specific risks arising from this.
- 7.2 Clearly, there are a number of risks around transition and future LEADER funding, but there is very little concrete information as yet available from DEFRA. Moreover, if the LAG does decide to become independent it will effectively determine the 'shape' of LEADER in this area at the next stage, and the role (if any) that the Council might play in delivering it.

- 7.3 Once there is greater clarity, officers will return a full report on proposals for the future to Cabinet which includes a full analysis of resources implications, risks and benefits.

BACKGROUND DOCUMENTS:

None

APPENDICES:

None