

LEADER PROGRAMME 2008-2013: ACCOUNTABLE BODY

1. SUMMARY

- 1.1 The report recommends that New Forest District Council agree to be the Accountable Body in the submission of a bid for the next round of LEADER funding. In doing so it will enable the bid to go forward and, if successful, help to bring significant resources to the area. As with the current LEADER+ scheme, these resources would be distributed through a Local Action Group (LAG), a process that has been extremely successful.

2. INTRODUCTION

- 2.1 The Council currently acts as Accountable Body for the New Forest LEADER+ programme 2002-2008. The programme is designed to support innovative community-led rural development projects through implementing active partnerships at the local level. Diversification of the rural economy is seen as an area of potential.
- 2.2 LEADER+ is a six year European Community initiative for assisting rural communities in improving the quality of life and economic prosperity in their local area. Small rural communities across Europe have received funding, with New Forest being one of 57 areas in the UK which making use of these funds. The New Forest LEADER + programme 2002 -2008 is a part of the Forest Friendly Farming (FFF) initiative run by the NPA which aims to support sustainable land management practices in the New Forest. Large areas of the District have benefited from the six years of LEADER + funding which comes to an end in 2008.
- 2.3 A bidding process for the next round of LEADER funding, which will run from 2008-2013, is now underway. A joint expression of interest from this Council and the National Park Authority was submitted to SEEDA in July of this year. This was favourably received and, given support from the Authorities, a full bid will be submitted in January for decision in May 2008. The focus of the new bid is overlapping, but differs from, the current LEADER + programme inasmuch as it has a stronger focus on economic development, forestry and community facilities – reflecting SEEDA's stronger role in the process. Local produce is likely to be retained as a key theme.
- 2.4 A decision is required as to which agency should act as Accountable Body should the bid process be successful. SEEDA have asked that the identity of the Accountable Body be decided by the applicants before 30 November and in advance of bids being submitted. They have accepted the difficulty of Local Action Groups meeting this timescale but are looking for a New Forest decision before 06 December.

3. ORGANISATION AND ACCOUNTABILITY FOR CURRENT PROGRAMME

- 3.1 In 2002, £1m of European Funding was awarded under the LEADER+ Programme to help fund new practical projects to sustain 'Forest Friendly' commoning, farming and woodland management in the New Forest. A further £1 million of match-funding was committed by SEEDA and other public sector bodies and, through a commitment of time, by local voluntary and community groups.
- 3.2 All LEADER+ Programmes are overseen by their local community through Local Action Groups (LAGs), made up of representatives from both the public and private sectors and from local community groups. Currently, the New Forest LAG has 15 members, including one Councillor (Cllr Holding) and the Economic Development Officer. Funding to individual projects is provided through a process of competitive bidding to the Local Action Group.
- 3.3 A requirement of both the EU and UK government was that the overall project was run by a legally constituted body which would have an indefinite life beyond the project period. Local authorities were actively encouraged to take on this role. New Forest District Council acts as the legally accountable body for the programme and is formally accountable to the LEADER+ Regional Secretariat for the delivery of the Action Plan. The Council is responsible for all matters relating to the administration and financial control of the programme. The Council employs a dedicated Programme Manager. For the first 3 years the post was post funded jointly by both LEADER+ and the Countryside Agency. From 2005 the post has been jointly funded by LEADER+ and NFDC. Administrative support for the post is fully funded. Minor additional costs accrue to the Council.
- 3.4 Many of the activities developed under the theme of Forest Friendly Farming by the National Park Authority are eligible for funding from LEADER+ and therefore staff involved in the two projects work in close partnership. There has been a clear and defined separation between the functions of programme management and project development, with local groups which are looking to develop projects having access to advice and support provided by the Head of Sustainable Development at the National Park.
- 3.5 The Council's main involvement has been through:
- Acting as the Accountable Body
 - Providing an accounting and payments function
 - Inputting to project development through the Local Action Group
 - Directly employing the LEADER + Programme Manager and admin support.
 - Running two local produce projects fully funded through the New Forest LEADER+ programme. This project and its possible continuation, does not form a part of this report.

3.6 The Council's "in kind" contribution to the programme is through the inputs of time by officers in Economic Development and Finance functions, together with some office and overhead costs. The Economic Development Officer provides line management to the LEADER+ programme manager and administrator posts. The Council's finance input has been principally through the payment of salaries and invoices and the provision of the accountancy function, including completion of grant claims. The resource implication for the payments and accountancy sections has been less than originally anticipated due to some of this being carried out by the funded posts. It was reported to Cabinet in 2000 that the expected aggregate time commitment of NFDC officers would equate to approximately one officer day per week.

4. OUTLINE OF CURRENT LEADER+ ACTIVITIES

4.1 The current programme runs until 2008, and is already closed to new project applications. The present LEADER+ Programme covers an area similar to the initial National Park designated area. The new programme would cover a larger area.

4.2 To date, activities funded by LEADER+ have mainly focused on establishing structures and processes to assist New Forest commoners and farmers. This has established a firm basis from which to encourage dynamism and innovation within the local rural economy over the period of the LEADER+ programme.

4.3 LEADER+ can be used to fund projects which promote sustainable land management practices and which support the special nature and features of the New Forest; promote and support new ways of processing, distributing and marketing local Forest produce; develop local opportunities to access advice, advocacy and training information; provide support and advice to local businesses, farmers and commoners. In total 52 projects have been carried out, including:

- The removal of the existing Beaulieu Road pony sales yard and re-building of a new facility, completed on time and within budget;
- Production of a New Forest Producers' directory involving 57 local producers. This was circulated to public outlets across the New Forest Heritage area, following launch at the 2002 New Forest Show and was widely reported in the local media
- A Forest Friendly Farming Advisor project, managed by Hampshire and Isle of Wight Wildlife Trust, providing environmental advice to over 200 commoners and farmers;
- Promotional activities of the New Forest Pony Publicity Group, which actively promotes New Forest ponies at national and local equine events. Increased sales at Beaulieu Road salesyard are believed to be directly related to this group's activity and there have been significant increases in the values achieved during the programme.
- Some £200k of small grants awarded to 69 micro businesses (mostly small producers) for capital items, including 17 new products;

- Two posts supporting the development of local food markets and the development of the New Forest Marque®, finding new ways to process and market New Forest products and establishing better links between producers, retailers and the public.

5. FOCUS OF THE NEW BID

5.1 This new local bid would be based on a broader area taking in the all the District, with the exception of Totton and part of Hythe, in order to meet bid criteria. A finalised bid is not as yet ready for submission, and consultations with local stakeholders are continuing. Main themes of the bid will include:

- Providing grants to foresters, farmers and micro-businesses to encourage the best use of natural resources.
- Providing advice and support to foresters, farmers and micro-businesses by encouraging new opportunities for employment, training and skills development.
- Further developing New Forest quality assurance schemes.
- Increasing renewable energy markets and the profitability of wood fuel
- Providing support to rural communities and developing new community facilities or making improvements to existing facilities.

6. FUNCTIONS PROVIDED (IF ACTING AS ACCOUNTABLE BODY)

6.1 As currently envisaged, the functions to be covered are likely to include:

- Directly employing the LEADER Programme Manager and admin support
- Directly employing a new LEADER Project Development Officer (a function previously provided by the NPA).
- Providing office space, ICT and corporate support for the above
- Line management time
- Providing an accounting and payments function
- Inputting to project development through the Local Action Group

There are also legal considerations in terms of the Accountable Body's exposure to risk arising from the accountability function and the responsibility to meet monitoring and other process requirements. While these are likely to be no different to the situation in the current scheme, SEEDA, rather than GOSE, will be running the next scheme, and will be implementing their own processes, controls and requirements.

6.2 The Accountable Body will be responsible for the proper administration and financial probity of the project. While individual project applicants will themselves be subject to audit on their own individual projects, the Accountable Body will be subject to inspection and audit of both process and accounting. The Accountable body has to sign the SEEDA/LEADER contract. It is accountable and responsible for all LEADER activities within that contract, and for ensuring that the LAG is fully compliant in all its activities. The LAG is not a corporate body, and neither DEFRA nor SEEDA can act as a guarantor for the LAG in terms of corporate, legal and financial obligations. However, NFDC will have portfolio holder and economic development officer representation on the LAG and, as funds are only released against invoices for defrayed expenditure, with quarterly re-imburement by SEEDA, financial risk is limited.

7. NFDC AS ACCOUNTABLE BODY

- 7.1 The functions of Accountable Body would be no different to the role that has been undertaken by the Council throughout the LEADER+ programme. These functions have been outlined above.
- 7.2 Officer meetings have been taking place between the Council and the NPA both in preparing the bid and in considering which organisation would be best placed to be the Accountable Body. Both organisations recognise the benefit of a bid to the area. There is also a mutual interest in presenting the best possible bid – not insisting on any given role for either organisation.
- 7.3 After discussion, it is being recommended that NFDC is best positioned for this role because:
- It has an established track record
 - The experience and processes are in place
 - There will be a rapid pick up of the new scheme
 - Transition between the two schemes would be smoother
 - The physical coverage of the area of benefit is larger than the National Park
 - It would better reflect the economic development emphasis
- 7.4 The NPA would continue to provide the resource to put together and submit the full bid and would be a supportive partner organisation thereafter.

8. FINANCIAL IMPLICATIONS

- 8.1 An expression of interest (a substantial document) has already been submitted by the NPA in July and a copy is available if required. This was favourably received by SEEDA and the NPA was asked to proceed to the submission of a full bid before 18 January 2008 in accordance with the regional timescale. Decisions on successful bids are expected on 5 May 2008.
- 8.2 The programme will run for a period of 6 years from 2008 -2013. Funding of some £30m is available for the programme within the South East Region. It is expected that the new Forest bid will be in the order of £2m.
- 8.3 A significant difference from the previous programme will be that the costs of operating the scheme will be accounted for through the bid, so there will be no call on the host organisation for funding, just management time (which is already part of current work programmes).
- 8.4 While it is likely also that the cost of employing a Project Development Officer will also be covered by funding, this is not as yet clear, and an update will be given at the meeting.
- 8.5 Apart from the above, it is expected that other employee costs would be no greater than involved in the current programme.
- 8.6 Office space, telephones and IT provision may or may not be covered by funding, and again an update will be given at the meeting.

9. ENVIRONMENTAL IMPLICATIONS

- 9.1 There are benefits for sustainability objectives to be gained from the project, not only in terms of environmental measures within the Heritage Area, but also strong social and economic benefit to individual farmers, businesses and collectively in village communities from projects related the improvements in environmental and business development. The project meets several objectives of Heart of the Forest, and is central to the purposes and duties of the National Park Authority.

10. CRIME AND DISORDER IMPLICATIONS

- 10.1 The programme will address a number of social and community measures which will enhance individuals' abilities and skills, assist capacity building in local communities, and generally increase social inclusion and cohesiveness in local areas. The new programme will again be a key challenge for LAGs will be to involve sectors of the community who have not traditionally been involved in local issues.

11. EQUALITY AND DIVERSITY IMPLICATIONS

- 11.1 The LEADER programme is specifically aimed at supporting defined schemes in rural areas. If successful, this scheme will continue to support applications which reflect the particular characteristics of the area.

12. PORTFOLIO HOLDERS COMMENTS

- 12.1 The Portfolio supports the recommendations as a means to bring considerable benefits to the area.

13. RECOMMENDATION

13.1 It is recommended that:

a) The Council perform the role of Accountable Body for the purposes of the LEADER bid and subsequent operation of the programme, on the terms presented above and the bid be successful.

b) Should the bid be successful on the terms above, the post of LEADER Project Development Officer be added to the establishment at a scale to be agreed through the Council's job evaluation process.

For Further Information Please Contact:

Martin Devine
Assistant Director Leisure
Tel (023) 8028 5456
HPSN: 777 5456
E-mail martin.devine@nfdc.gov.uk

Background Papers:

Published reports