

## LEADER: OUTCOME OF BID

### 1. INTRODUCTION: WHAT IS LEADER?

- 1.1 The focus of the new Leader bid is overlapping, but differs from, the current LEADER+ programme in as much 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. This new local bid is 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.
- 1.2 The main themes of the bid include the provision of infrastructure and equipment to support rural businesses; programmes for apprenticeships and skills development; expanding schemes for local products; refurbishment and development of local community facilities and the promotion of ICT development in rural areas.
- 1.3 Examples of the sort of indicative projects the Leader programme would hope to encourage are:
- Grant support for co-operative projects such as sharing equipment, machinery and storage sites to support rural business enterprise.
  - Development of supply and producer networks for wood products.
  - Development of a furniture and woodcraft training facility / design school, with a related apprenticeship scheme.
  - Grant support for business planning to establish community interest companies / social enterprises for threatened village shops.
  - Development of a “toolkit” for village shop management and enlargement.
  - Development of a New Forest Food and Farming Centre as a central retail outlet for New Forest produce.
  - Infrastructure costs for the development of local abattoir facilities.
  - Installation of youth and community facilities eg shelters / walks.
  - Renovation of village halls to improve local facilities.

### 2. BACKGROUND TO THE BID AND THE COUNCIL’S ROLE

- 2.1 A bid was made to the next round of Leader funding. It was submitted by the Local Action Group, containing the agreement of this Council to act as “Accountable Body” in the operation of the scheme if successful. That agreement was obtained at Cabinet on 7 November 2007(report E). The decision was:

Subject to full re-imburement of costs for all Council expenses:-

- (i) 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 in Report E to Cabinet and the bid being successful;

- (ii) should the bid be successful on the terms outlined, 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.
- (iii) A further report be made to the Cabinet when the full financial position in relation to the Council's commitment is known.

2.2 SEEDA (South East Development Agency) has written to advise of the outcome of the bid for Leader funding and hence the report to fulfil the requirement of resolution (iii) above.

### 3. OUTCOME OF THE BID

3.1 SEEDA brought forward 16 bids to the last stage, however in assessing bids against available funds they have a shortfall. In considering options on how to proceed, their conclusion was to support the highest scoring 13 projects but to award all the schemes a lesser amount. The bid scores ranged from 33.7 – 43.1 and the New Forest bid scored 43.1.

3.2 SEEDA have advised the LAG as follows:

“We are delighted to tell you that the Panel have approved your application and have awarded you Leader funding as shown in the table below. This award of grant is conditional on your Leader group arranging match funding as indicated in the table”.

Original bid	Reduction of 10 percent *	Leader award	Total value of award plus external match funding
£2,417,323	£241,732	£2,175,591	£2,417,323

3.3 The reduction is explicitly referred to as being covered by additional matched funding which is to be sourced from the public sector. So the LAG will in effect be looking for support from NFDC and NPA. The implication is the equivalent of £40,000 per annum in a full year. SEEDA is keen to advance this funding stream quickly.

### 4. RESPONDING TO THIS OUTCOME

4.1 SEEDA has, in effect, changed the basis of the arrangements, which is very disappointing. In that regard there are options in responding to it. The LAG will be considering its position which may well include:

- o Collaborate with other LAGs to negotiate with SEEDA over the reduction.
- o Turn down the funding.
- o Collate match-funding from public sector partners.

4.2 It is understood that the LAG is in contact with the LAGs from other bids and there is a will to collectively challenge the SEEDA decision. In the circumstances, this is understandable and it is suggested that the Council support the LAG in making their representation. There is also a suggestion that affected local authorities should make a joint representation to SEEDA.

- 4.3 Similar to the LAG, the Council does have options to consider which include:
- Delay and put pressure on SEEDA.
  - Support the challenge to the decision making process.
  - Withdraw as Accountable Body and leave the way clear for another agency to assume the role.
  - Find the match funding – ideally in partnership.

## **5. ASSESSMENT: ACTION FOR NFDC**

- 5.1 The original resolution of Cabinet is clear. This was made in the context of the criteria as they were known at the time; that the bid would be fully funded. With that in mind there is a school of thought that would suggest the decision is already made and the Council will not take on the role of Accountable Body unless the match funding is found elsewhere.
- 5.2 However, the circumstances have changed and the scheme can be assessed on its merits as now presented.
- 5.3 The bid is for a programme that is very strongly tied to key themes in the new Corporate Plan and also the emerging Sustainable Community Strategy. In that context the key question is whether there is the will and wherewithal to attract 90% funding for a scheme with such wide-ranging community and business benefits. That 10% of funding can also be partly defrayed by value in kind (allocation of management time and support costs).
- 5.4 The New Forest bid was scored by SEEDA as the best bid of all the submissions. In submitting, there had been some concern about whether SEEDA would be likely to continue support to an area that had already benefitted from Leader funding in a previous round. This has been unfounded, in fact it is a ringing endorsement of the bid, its content and the value of the previous track record.
- 5.5 On this basis the suggestion is that the Council consider enabling the LAG to take up the offer of the Leader funding through making representations to SEEDA and thereafter, arrangements which will enable the Leader project to continue.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 The conditional offer of support from SEEDA to the LAG requires the public sector to find the sum of £241,732 across the life of the project. This equates to a full year effect of £40,000 per annum. If supported, 2008/09 would require half year funding, with the first full year in 2009/10. The project is due to end in December 2013 with a total bid value of £2,417,323.
- 6.2 If the representations to SEEDA are unsuccessful, the District Council and National Park Authority are the two principal authorities in a position to enable this project to go forward. The financial year has just started and there was no opportunity to consider provision because SEEDA's position has changed so late in the process. Initial discussions with the NPA indicate support for the project continuing. It is suggested that the Portfolio Holder for Employment Health and Well Being is delegated to pursue arrangements which enable the Leader bid to progress.

## **7. ENVIRONMENTAL IMPLICATIONS**

- 7.1 There are benefits for sustainability objectives to be gained from the project. This is not only in terms of environmental measures but also strong social and economic benefit to individual farmers, businesses and collectively in village communities. The project meets several objectives of Leading Our Communities, and is central to the purposes and duties of the National Park Authority.

## **8. CRIME AND DISORDER IMPLICATIONS**

- 8.1 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 challenge LAGs to involve sectors of the community who have not traditionally been involved in local issues.

## **9. EQUALITY AND DIVERSITY IMPLICATIONS**

- 9.1 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.

## **10. PORTFOLIO HOLDERS COMMENTS**

- 10.1 The Portfolio Holder wishes to express their extreme disappointment at the late change of approach by SEEDA which places the whole scheme in jeopardy. This project has such great merit that the Council should vigorously pursue representations via the Local Advisory Group and other affected local authorities at the earliest opportunity and make every effort to ensure the project continues.

## **11. RECOMMENDATION**

- 11.1 It is recommended that the Cabinet:
- (a) Support the Local Action Group and affected local authorities, in making representations to SEEDA to restore the funding allocation to the original basis.
  - (b) Agree that the Portfolio Holder for Employment Health and Well Being be delegated to agree arrangements which enable the Leader bid to progress.
  - (c) Subject to the resolution of satisfactory arrangements, recommend the Council confirm its wish to perform the role of Accountable Body for the purposes of the Leader bid and subsequent operation of the programme.

### **For Further Information Please Contact:**

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### **Background Papers:**

Published reports