

# North York Moors National Park Authority

21 September 2015

## 2015 – 2020 North York Moors, Coast and Hills LEADER Programme

### 1. Purpose of the Report

- 1.2 To update Members on the 2014 North York Moors, Coast and Hills (NYMCH) LEADER Programme Transition phase, and the progress being made towards the 2015-2020 LEADER Programme.

### 2. Background

- 2.1 LEADER is the European Union's approach to delivering 'bottom up' development in rural communities. The Programme is funded through the European Agricultural Fund for Rural Development (EAFRD) and Defra, and offers rural areas the chance to be involved in a participative approach to solving local issues and developing potential opportunities.
- 2.2 The 2015-2020 LEADER Programme continues to be a mandatory element of the EAFRD and therefore sits within the Rural Development Programme (RDP) alongside the Growth Programme, Countryside Productivity and Countryside Management Schemes. The value of the LEADER Programme nationally is approximately £138million which equates to 4% of the total Pillar 2 funding, and will be managed by Defra and the Rural Payments Agency (RPA).
- 2.3 The 2015–2020 NYMCH LEADER Programme will once again operate with the North York Moors National Park Authority (NYMNP) as Lead Partner (the only National Park Authority fulfilling such a role) and North Yorkshire County Council (NYCC) as Accountable Body, and the Programme will continue to be guided by the LEADER Local Action Group (LAG) and the Executive Group. Members of the LAG broadly represent the interests of the NYMCH LEADER area and its communities, with the Executive Group subsequently elected by the LAG to represent them, provide a strategic steer and take on the decision making role within the Programme.
- 2.4 The ethos and principles of the LEADER approach will guide all aspects of the Programme's delivery. Collaboration, networking, a partnership approach between the public and private sectors and encouraging innovation are all principles that the Executive Group and Programme Staff will endeavour to uphold and encourage in all projects.
- 2.5 Following direct written confirmation from Defra in December 2014 of our success to deliver a new LEADER Programme, a number of delays at a national level have affected delivery locally. The following report therefore outlines the activity undertaken during the 2014 Transition period and preparations for the 2015-2020 Programme.

### 3. 2014 Transition Phase

- 3.1 In order to make the necessary preparations, develop the required Local Development Strategy (LDS) and ensure the Programme retained the experience and knowledge gained by the previous Executive Group in the form of a Transition Steering Group to

help develop a new Programme, the NYMCH Programme successfully applied for and secured £36,000 from Defra to undertake this work between April to December 2014.

- 3.2 Activity during the Transition phase was primarily focused on two main tasks - defining the geography of a new LEADER area, and developing a new LDS which ensured that the area's needs, opportunities and priorities were incorporated into the final Programme plan and the process was undertaken using a truly bottom-up approach. In addition the Programme continually looked to align itself and its prospective activity with the York, North Yorkshire and East Riding Local Enterprise Partnership (YNYER LEP) and the Tees Valley Local Enterprise Partnership (TV LEP). The relationship between LEADER and the LEPs will continue to be developed and strengthened throughout the lifetime of the new Programme in order to effectively target and maximise the impact of our limited resources.

**i) Geography**

Discussions with partners took place at an early stage in the process in order to help us define and map our proposed LEADER area by mid-May. Areas classified as 'urban' by Defra remained ineligible for LEADER funding and therefore have not been included in the area. The two exceptions to this rule for the NYMCH area are the settlements of Malton / Norton on Derwent (considered by Defra as a single settlement rather than two) and Whitby. Whilst they are classified as 'urban', they have been designated as 'hub-towns' reflecting the important relationship they have with their surrounding rural hinterland, and therefore were able to be included in the NYMCH LEADER area.

- 3.3 Using the 2008-2013 LEADER area as the basis, the following proposals were agreed with the Transition Steering Group:

- To include the eight parishes to the south of Scarborough so the whole of the Borough of Scarborough would be included in the NYMCH LEADER Programme area;
- To include an additional 11 parishes in the south western corner of Ryedale which had not previously been included in any LEADER Programme;
- To extend the boundary of the LEADER area to include whole Parishes where they were previously split in Ryedale and Hambleton;
- To include Malton / Norton on Derwent and Whitby as 'hub-towns'; and
- To include the settlement of New Marske in East Cleveland.

- 3.4 The proposed area as outlined above was submitted to Defra and agreed, subject to a small number of minor adjustments where our LEADER area adjoined urban areas around Scarborough and Guisborough.

- 3.5 Based on the mapping submitted and agreed, Defra provided indicative budget allocations to each Programme which were used to create the financial profiling and output projections within the LDS.

**ii) Consultation**

A thorough and prolonged period of consultation was planned and delivered between February and July 2014 to ensure we spoke to as many individuals, organisations and businesses as possible in order to gather a range of comments, ideas and suggestions which would form the basis of the new LDS. A series of four initial open consultation events were held around the area which attracted more than 120 participants. Many of our partners assisted with both the hosting and facilitating of these events demonstrating the local support we had from partners.

- 3.6 The following six national priorities were set by Defra and all prospective LEADER Programmes were expected to develop locally identified programmes of activity under each for delivery from 2015 onwards:
- Support for Increasing Farm Productivity;
  - Support for Micro and Small Enterprise and Farm Diversification;
  - Support for Rural Tourism;
  - Provision of Rural Services;
  - Support for Cultural and Heritage Activity; and
  - Support for Increasing Forestry Productivity.
- 3.7 Six Task and Finish Groups were held to mirror the six new priorities, consider the initial consultation responses, and discuss how potential programmes of activity could form under each priority. The six programmes of activity which emerged later formed the basis of a second round of open consultation events. Any amendments and comments received at this stage were taken into account before the six programmes of activity were finalised and included in the new LDS.
- 3.8 As part of the LDS development process, a small amount of the Transition funding was used to procure additional specialist input to the process. The input of consultants helped ensure our proposed LDS included all required elements and demonstrated the value of our proposed Programme. This was followed later in the year with the production of a research report into the current and potential woodland and forestry activity in the area. This report will provide invaluable supplementary guidance for the Executive Group around the priority of support for forestry productivity.
- 3.9 In addition to the development of the six core programmes of activity, collaboration, networking, a partnership approach between the public and private sectors, and supporting innovation were all elements the Transition Steering Group were keen to emphasise and promote throughout the LDS.
- 3.10 The Transition Steering Group were regularly involved in discussions and decision making which formed a vital part of the development process and ensured the resulting LDS was a true reflection of local needs and opportunities, and upheld the LEADER principles and ethos.
- 3.11 The final LDS for the NYMCH LEADER Programme was submitted to Defra in early September 2014, along with 85 others from across England. Each LDS was assessed before being considered at a Defra-led national panel meeting at the end of October.
- 3.12 The NYMCH LEADER Programme along with 79 others received notification of their success in late 2014 and new indicative budgets were allocated. Defra were originally looking to approve in the region of 70 Programmes, but with the approval of more than this number, the indicative allocation ranges for all Programmes were subsequently reduced.

#### **4. Delivery of the 2015-2020 LEADER Programme**

- 4.1 The LDS outlines a broad programme of activity under each of the six priorities. It was proposed that initial activity in 2015/16 under the farm productivity, micro and small business, and rural tourism priorities should be centred on developing and procuring three LAG-led projects which would then form the basis of future calls for projects.
- 4.2 As a result of more information around eligibility and compliance within the new Programme being released by the RPA, delivery of the Programme, particularly during 2015/16 and 2016/17, has needed to be reviewed and amended. Given the ongoing delays to the start of the Programme, funding originally proposed for 2105/16 has been

reallocated to later years, and the current guidance on spend eligibility has highlighted restrictions on revenue expenditure. It is now proposed that the Programme will launch in autumn 2015 and be able to accept applications from all priorities, except under the Rural Services and Culture and Heritage priorities. The Programme will initially be focused on capital grants, and the remaining two priorities will be incorporated from 2017/18 onwards.

- 4.3 Representations about the challenges and limitations of the new Programme have been made to the RPA and Defra at various levels, and discussions are ongoing.
- 4.4 The Programme is however still required to allocate 70% of funds to projects and activity that in the longer term is still proposed to directly support the rural economy (e.g.: support business development and job creation), and the remaining 30% must be allocated to projects which demonstrate they will positively contribute to the rural economy (e.g.: increasing visitor numbers or the provision of a new service).
- 4.5 Delivery of the NYMCH LEADER Programme and activity under each of the six priorities is still intended to be achieved by utilising a combination the following animation options:
  - i LAG-led projects. These will be procured by the Programme when a gap or need is highlighted and no obvious solution or delivery body to fulfil the role can be identified;
  - ii Open or targeted calls for projects. These offer great flexibility and encourage bottom-up solutions to emerge and can be developed at different times during the lifetime of the Programme. They can be designed to request specific types of activity the Programme would like to fund, and are likely to be time limited. Taking this approach would mean only similar projects would be considered at any one given point in time. This will enable the Executive Group to make good decisions and select projects which offer the best value for money, the most valuable outcomes for the area, and which will secure the achievement of outputs required by the Programme; and
  - iii Co-operation projects. The NYMCH LEADER Programme can be a partner within these projects or undertake the role of lead LAG. These will only be undertaken where they add value to an area of activity being delivered by the Programme. Co-operation projects can be both formal and informal, and can include national and trans-national partners.
- 4.6 The selection of the most appropriate delivery or animation mechanism will be made by the Executive Group at various points during the lifetime of the Programme and in light of any new information and guidance provided by the RPA. A Delivery Plan for the Programme in 2015/16 has been submitted to the RPA and further plans will be required on an annual basis.
- 4.7 As highlighted earlier in the report, due to a delay in the preparation of all guidance and paperwork relating to the LEADER Programme which is being provided centrally by the RPA, current timeframes indicate that LEADER Programmes are unlikely to begin operating on the ground before October 2015.

## 5. Programme Budget and Outputs

- 5.1 In summer 2014 the NYMCH LEADER Programme received an original indicative budget range of between £2.8 million and £3.2 million. Along with the confirmation of our success, Defra notified us that our indicative budget range had been reduced and would be between £2.1 million and £2.4 million. It should be noted that due to the larger number of LEADER Programmes being approved by Defra than originally anticipated, all LEADER Programmes received the same proportional reduction in

budget, but the NYMCH LEADER Programme still has the third largest allocation of all programmes.

- 5.2 Each Programme is able to utilise a maximum of 18% of its total budget on Running Costs and Animation (RC&A) costs. The RC&A budget is required to cover all costs directly and indirectly related to staffing for the Lead Partner and Accountable Body, promotion and publicity, Executive Group costs and co-operation project development expenses, and can be reclaimed at 100%. It is proposed to utilise the full 18% and cover these costs until March 2021. The reduction in overall Programme budget means a LEADER Programme Officer post to offer additional support and capacity building for the Programme, Executive Group and potential applicants, is no longer a viable option but additional support will be procured as and when required.
- 5.3 Given the change in the Programme budget, the percentage split originally used to allocate funds to each priority has been retained and applied to the new budget. Projected output targets were also developed and submitted with the original LDS but have also been reduced proportionally in line with the new budget. Full details will be made publically available via the NYMCH LEADER website as soon as they are agreed by the RPA.

## **6. Communications**

- 6.1 The Programme has prepared a Communications Strategy and Action Plan for 2015 / 16 which will be used to promote and share current opportunities and the successes of the Programme. The Programme will utilise traditional print media as well as taking advantage of the opportunities offered through use of the National Park's Twitter and Facebook accounts.
- 6.2 A press release was issued in March 2015 to share news of our success, however a formal launch of the Programme will be planned as soon as possible once a full contract is in place and we are able to actively encourage applications. It is anticipated that it will be October before calls for projects to be funded from April 2016 can be promoted.

## **7. Financial and Staffing Implications**

- 7.1 Whilst the NYMCH Programme is currently operating without a finalised contract from Defra or an agreed signed SLA with NYCC, ministerial assurances have been given that any expenditure incurred by Programmes from January 2015, including all staffing costs, can be re-claimed. A claim for 100% of costs incurred between January and June 2015 has been prepared and submitted in readiness.

## **8. Contribution to National Park Management Plan**

- 8.1 A new NYMCH LEADER Programme based on the six broad priorities listed in section 3 above, offers a number of opportunities to link into and add value to the priorities of the National Park Management Plan. There is potential for priorities within Sections 3 (Understanding and Enjoyment) and 4 (Business and Land Management) to be aligned with LEADER and supported through activity which for example may serve to promote the wider area and develop a sustainable growth in visitors to the park, increase the productivity and profitability of agriculture, promote the re-use and re-cycling of wood products, and develop new markets for sustainable woodland products.

## **9. Legal Implications**

- 9.1 There are no significant legal implications arising from this report.

## 10. **Conclusion**

- 10.1 In conclusion the challenges faced in establishing the new LEADER Programme are being overcome and the Programme continues to represent a valuable opportunity to make a meaningful contribution to supporting local sustainable economic growth within some of the area's key sectors and the establishment of a firm base from which to progress in future years. Its increased economic focus and its links with both the York, North Yorkshire and East Riding, and Tees Valley Local Enterprise Partnerships, means a range of new and innovative opportunities can be investigated with the possibility of accessing considerable additional investment via the LEPs. The opportunity it also offers to engage with new audiences, in particular the agricultural and forestry sectors, and deliver activity in some of our key landscape areas including along the coast, is noteworthy.

## 11. **Recommendation**

- 11.1 That the report be noted by Members.

### **Contact Officers**

Amy Thomas  
LEADER Programme Manager  
Tel No: 01439 772700