

By: Mark Dance, Cabinet Member for Economic Development
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To: Growth, Economic Development and Communities Cabinet Committee – 16 September 2014

Subject: Support for Kent Downs and East Kent LEADER Programmes 2015- 2020

Classification: Unrestricted

Past Pathway of Paper: Economic Development Cabinet Committee 23rd January 2014.

Future Pathway of Paper: N/A

Electoral Division: Ashford, Canterbury, Maidstone, Swale, Shepway, Dover, Thanet.

Summary:

The report gives a background to the activity undertaken to develop a Kent Downs and Marshes Leader Programme bid for funding from the Rural Development Programme for England 2014-2020. It also deals with the opportunity that has arisen to create a new Leader area in East Kent as part of the process which will enable more of the rural parts of the county to benefit from the opportunities provided by external funding.

Recommendation:

The Cabinet Committee is asked to CONSIDER and ENDORSE, or make RECOMMENDATIONS to the Cabinet Member for Regeneration and Economic Development on the proposed decision to KCC remaining the accountable body for Kent Downs and Marshes Leader for the new Programme period ending in 2020 and also takes on this function for East Kent Leader. This would enable both Leader groups to have one administrative team looking after both and a sharing of back office functions, resulting in efficiencies and reduced staff costs.

1. Introduction

- 1.1** Leader is a way of spending money on local rural issues, identified by people living in that area. This bottom up approach leads to locally tailored opportunities based on the economic, social, environmental and land based sector of regenerated Leader area. Leader is part of the Rural Development Programme for England (RDPE) funded by Defra and the EU.
- 1.2** The money is locally controlled with decisions about which projects are funded being made by the Local Action Group (LAG) for the Leader area. The LAG is made up of private, public and civil society representatives. Each LAG develops a Local Development Strategy (LDS) for its given area and this

describes what the LAG aims to achieve and deliver based on locally identified priorities and actions. The LAG has delegated powers to bring forward, assess and fund projects in line with its LDS objectives, and address local priorities in an innovative, inclusive and locally specific way.

- 1.3 Under the last RDPE, 2007-2013, Kent was covered by two Leader areas – West Kent Leader and Kent Downs and Marshes Leader (KDML). Both groups operated successfully for the life of the Programme supporting over 100 rural projects, creating 83 jobs and securing investment value of £7.65m for their areas. This went hand in hand with a large number of community and environmental projects supported. A bid for a Leader area in East Kent was submitted in 2007, but was unsuccessful. Consequently there was no coverage for Thanet, large parts of Canterbury and Dover districts.

2. The 2014-2020 Leader Programme

- 2.1 The RDPE will run from 2014 -2020. However, because of negotiations over CAP reform there has been a delay and funding will start on 1st January 2015. Both West Kent and KDML have prepared bids in the form of Local Development Strategies for the new RDPE 2014-2020. The emphases of the bids are jobs and growth and were submitted on 5th September and aligned to SE LEP plans and strategies. Because Leader areas are limited to a population cap of 150,000 (rural population) there have been a number of rural ‘white spaces’ on the Leader map of Kent that have previously not benefitted from coverage – East Kent being prominent.
- 2.2 As a consequence funding was secured from Defra to develop new Leader areas in an attempt to cover as much of the existing ‘white space’ as possible. This provided an opportunity to create a new Leader Programme to address the East Kent ‘white space’ issue and achieve almost whole coverage for the rural parts of the county, as well as maximising the funding opportunities available.
- 2.3 Action with Communities in Rural Kent has worked with the other Kent Leader groups, local authorities and has formed a Local Action Group to lead on and develop a Local Development Strategy for East Kent which was submitted to Defra along with West Kent and KDML submissions on 5th September.
- 2.4 Each Leader group has to have an Accountable body which is responsible for the delivery of the programme on behalf of the LAG, holds itself responsible for successful conclusion of the programme, and undertakes to ensure that financial propriety and compliance is observed in the management and administration of the Programme. The West Kent Partnership was the accountable body for West Kent Leader and KCC was the accountable body for the KDML under the 2007-13 Programme period.
- 2.5 It is recommended that KCC remains the accountable body for KDML for the new Programme period ending in 2020 and also takes on this function for East Kent Leader. This would enable both Leader groups to have one administrative team looking after both and a sharing of back office functions, resulting in efficiencies and reduced staff costs. The West Kent Partnership will remain the accountable body for West Kent Leader.

- 2.6 The Leader groups in Kent will be involved in a competitive process with other groups across England. The national Leader pot is £138m and at the time of bidding it was understood that 86 Leader groups were submitting an LDS. Defra hopes to eventually fund about 70 of these groups. However, the figure could be higher or lower than this target. Decisions will be announced in November.
- 2.7 If successful the three Leader areas could be awarded between them anywhere from £4.5m to £6.5m. This would be used to fund rural businesses and projects in the county to deliver jobs and growth.
- 2.8 SE LEP is also considering giving each successful Leader group an amount of up to £500k on top of its Defra award as a way of delivering part of its European Agricultural Fund for Rural Development.

3. Financial Implications

- 3.1 The Leader allocation for England is £138m and 86 Leader groups will be bidding for a proportion of this fund. Defra is looking to choose 70 Leader groups for funding through a competitive bidding process. Consequently each Leader group has been given an indicative allocation of three amounts (based on Leader population size and density). For KDML this is an amount between £1.781m and £2.519m. For East Kent, it is an amount between £1.480m and £1.936m. Leader groups have been asked by Defra to base their bids on a midpoint figure. This is £2.116m for KDM and £1.695m for East Kent.
- 3.2 If successful in its bid a Leader group can use a maximum of 18% of its allocation on administrating, promoting, monitoring the Programme and staff costs (these are fixed costs regardless of allocation). Depending on the allocation given to KDML and East Kent Leader and the costs for running the Programme there will be a shortfall of anything between £0 and £52,512 per year for the life of the Programme (6 years).

The lower end figure (£0) is based on both KDML and East Kent being awarded their **maximum** allocation. The higher end figure (£52,512) is based on KDML failing in its bid and East Kent being awarded its **minimum** allocation. There are a number of permutations and the exact amount will not be known until Defra makes its decisions.

Partners financially contributed to the last Programme and have been involved in the current bids. They have indicated willingness to financially contribute to the new Programme but this is not guaranteed. Therefore, the main financial implication for the accountable body is the need to commit to picking up the full shortfall if needs be for the Leader Programmes in KDML and East Kent if both are successful with their bids to Defra.

4. Bold Steps for Kent and Policy Framework

- 4.1 The new Leader Programme will help the economy grow, tackle disadvantage and put the citizen in control. The Programme will engage with rural businesses and communities to achieve growth and jobs It will provide external investment

from the EU and Defra funded RDPE 2014-2020 to enable the above actions to be met.

5. The Kent Downs and Marshes and East Kent Leader

- 5.1** The Leader approach to rural development has operated successfully in the county for a number of years and has the full support of the main partners involved in developing the rural economy, assisting rural communities and enhancing the natural landscape through interventions designed to benefit local rural businesses and communities.
- 5.2** The programme brings rural investment into the county, creates and safeguards jobs, helps with business start ups and assists local communities manage change.
- 5.3** If all three Leader areas in Kent are successful in their bids to Defra over 95% of the rural area of the county will benefit from up to £6.5m external investment. This will draw in private sector investment as match funding for projects which will increase the project value by another 40% to 50% resulting in an estimated £10m+ investment into rural development. This figure would increase if SE LEP funds are awarded.

6. Recommendation

- 6.1** The Cabinet Committee is asked to CONSIDER and ENDORSE, or make RECOMMENDATIONS To the Cabinet Member for Regeneration and Economic Development on the proposed decision to KCC remaining the accountable body for Kent Downs and Marshes Leader for the new Programme period ending in 2020 and also takes on this function for East Kent Leader. This would enable both Leader groups to have one administrative team looking after both and a sharing of back office functions, resulting in efficiencies and reduced staff costs.

7. Background Documents

Kent Downs and Marshes Leader and East Kent Leader Local Development Strategies.

8. Contact details

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