

Open Report on behalf of Andy Gutherson, Executive Director – Place

Report to:	Environment and Economy Scrutiny Committee
Date:	20 October 2020
Subject:	Lincolnshire LEADER Programmes

Summary:

This Report sets out the background and performance of the four Lincolnshire LEADER Programmes to date, provides case studies and an overview of emerging business needs based on the recently closed LEADER grant call.

The report invites Committee to recommend the commissioning of a LEADER Evaluation encompassing the programme and other areas of rural activity and a Rural Engagement Programme. These are intended as vehicles to establish current and future economic needs and opportunities in order to help drive sustainable rural growth as part of the COVID-19 economic recovery activities (short and long term) and to inform the Council's advocacy and influencing role.

Actions Required:

The Environment and Economy Scrutiny Committee is invited to:

1. Consider and review the pattern and performance of the LEADER programmes to date - both pre and post COVID-19.
2. Endorse the proposed evaluation and engagement approach of the LEADER programmes recommended in the report, to inform future policy and activity to support sustainable joined up rural growth in Lincolnshire.

1. Background

LEADER 2014-2020 is a rural funding programme aimed at creating jobs, economic growth and community benefits. It is implemented under the Rural Development Programme for England (RDPE) and reflects a mandated top-slice of funding from the European Agricultural Fund for Rural Development (EAFRD). In England, it is managed by the Department for Environment, Food and Rural Affairs (DEFRA) though the Rural Payments Agency (RPA).

LEADER is a locally-based bottom up programme. The grant funding is available to local businesses, communities, farmers, foresters and land managers and is managed by a Local Action Group (LAG) comprising local public, private, third sector members with an appropriate sectoral balance.

Broadly, each Programme focuses the funding around 6 national LEADER priorities to boost rural economic growth through:

- a) supporting micro and small businesses and farm diversification
- b) boosting rural tourism
- c) increasing farm productivity
- d) increasing forestry productivity (excludes Wash Fens Programme)
- e) providing rural services and
- f) providing cultural and heritage activities

LEADER in Lincolnshire

Lincolnshire has 4 geographically specific LEADER Programmes and the Council is the Accountable Body. The headline performance of the programmes is set out in Table 1.

Table 1					
	Coastal Action Zone	Lindsey Action Zone	Kestevens	Wash and Fens	Total
SPEND/ALLOCATIONS (to date) PER PROGRAMME –<u>NOT</u> including Summer Call and on-going costs of post completion monitoring					
Project Commitment (to date)	739,191	1,907,000	1,409,000	1,507,000	5,562,191
PROJECT NUMBERS BY PRIORITY AND PROGRAMME					
Micro and small businesses and farm diversification	5	25	11	4	45
Rural Tourism	5	5	8	8	26
Farm Productivity	9	35	15	21	80
Forestry Productivity	0	2	4	NA	6
Rural Services	2	2	2	0	6
Culture and Heritage	1	3	0	1	5
TOTAL PROJECTS	22	72	40	34	168
JOBS					
Jobs contracted	28	84.5	55	87	254.5
Average cost per job (£30,000 RDPE Growth Programme Average)	£26,399	£22,568	£25,631	£17,326	£22,981

LEADER grants are capital only and projects are eligible for a grant of at least £2,500 and as a general rule of thumb, under de minimis, is the maximum grant is approximately £145,000. Grants are typically limited to a maximum of 40% of the project's total eligible costs. Although there are various exceptions to this.

Appendix A includes a series of slides which set out some case studies to demonstrate the types and variety of positive interventions and support which LEADER has enabled in Lincolnshire. A link to a video compilation of case studies is also included in the slides.

Overall, the Programmes have been received positively in the county with a wide variety of projects receiving funding or being referred by programme staff to alternative sources by working closely with the Growth Hub and other funding advisors. A key benefit of the programme has been the leverage created, with LEADER meeting only a proportion of project costs – the rural investment it has catalysed has been significant.

LEADER Grant Call – Summer 2020

A summer call for new applications was launched in June 2020 to allocate the remaining £400,000 of funding. The reasoning for this was three-fold: to maximise grant investment in the rural economy, to demonstrate the ability to spend contracted funding and to respond to the needs of the rural economy post COVID-19.

This call resulted in 87 Expressions of Interest (EOIs) being submitted and processed with 78 being invited to proceed to Full Application (FA). Whilst all LEADER criteria must be met, an additional weighting to jobs created has been attached to the call together with a demonstrable ability to deliver the project and claim the funding by the 31st December 2020. This has yielded 33 FAs requesting a total grant value of £845,595. Fewer than half of the applications can be funded. Any drop out to date has been due to ineligible activity or an applicant's decision not to proceed based on a variety of factors including the likelihood of success. A position statement by programme appears in Table 2.

Table 2					
Summer Call 2020	Coastal Action Zone	Lindsey Action Zone	Kesteven s	Wash and Fens	Total
EOIs Received	10	33	25	19	87
EOIs Rejected (Ineligible)	0	5	2	2	9
EOIs Invited to full application	10	28	23	17	78
Full Applications not submitted	6	16	14	9	45
Full Applications Received	4	12	9	8	33
Applications that will create jobs	3	4	6	7	19
Applications with no jobs	1	8	4	1	14

The level of demand generated by the call far exceeded expectation, at one point it was anticipated that if all enquiries and EOIs materialised, only 1:6 of proposals could be approved based on funding availability. There was particular demand from farmers around seed drill purchases but business and rural tourism interest was also generated. It must be noted that given the deadline for claiming the funding is 31st December 2020, the call was skewed to "one-off purchases" and whilst more detailed analysis will be required, it can be concluded that rural businesses and organisations:

- a. Are seeking funding
- b. Have cash reserves to provide match funding - generally 60% of project costs available and
- c. Are still looking to create employment.

As LEADER is a funder of last resort, without which projects cannot proceed, it is reasonable to assume that grant support will be a key component of the future recovery of the rural economy.

Rural Evaluation and Engagement Programme

A full quantitative and qualitative evaluation of the LEADER programmes is not only best practice but could also be critical to informing the Council's future role in driving rural economic recovery and growth and how future Community Led Local Development (CLLD) could build on the LEADER model and the rural engagement generated thus far.

However, there are opportunities to build on this further in order to assess emerging needs around areas not covered by the LEADER Programmes (geographically and thematically). This could include an evaluation of rural needs and opportunities in line with:

- a) The emerging Greater Lincolnshire Tourism Action Plan (nature tourism and leisure cycling and walking)
- b) The emerging Local Transport Plan and connectivity (broadband/digital, highways, public transport, cycling etc.)
- c) Rural business premises and hubs (cost/supply/demand/location)
- d) Employment and skills needs (including digital exclusion, the Lifetime Skills Agenda and transferrable apprenticeships in a rural setting),
- e) Access to services and
- f) The inter-connections between villages/towns/coast and particularly the capture of rural benefits from Town Deals and coastal investment.

In addition to the Evaluation Report, a Rural Opportunities Positioning Statement could be produced to help the Council focus on key rural investment priorities and align with emerging plans such as the Strategic Investment Development Plan and the Local Transport Plan 5 (LTP5). This could be underpinned by a one off or an on-going Rural Engagement Programme, building on existing LAG relationships and drawing in new businesses, organisations and stakeholders in order that emerging rural priorities can be identified and updated in real time, accounting for the impact of COVID-19 and other factors, setting a rural agenda around "What next for rural Lincolnshire – investment needs and fulfilling our potential".

Together the Evaluation, the Engagement project outputs and emerging national, regional and local data could be brought together as a strategic 'Rural advocacy and future funding business case' for the County in preparation for future funding opportunities including UK Shared Prosperity Funding (UKSPF) to ensure that rural business and communities are appropriately included.

2. Conclusion

The LEADER Programme has produced some very positive results in the county in terms of jobs created, investment and leverage. Of critical importance has been the role of the LAGs in guiding these investment decisions to areas of greatest need and impact together with the work of officers in supporting projects to access funding.

The take up of grants in the current call demonstrates a demand for external funding support across several sectors. This particularly relates to business needs in response to the impact of the pandemic.

Given there is a narrow window of opportunity ahead of decisions on UKSPF and other funding being made available by government as part of its COVID-19 response, it is prudent to pull together a robust case for investment in the county's rural economy at a time when much of the government's levelling up agenda is focused on towns and cities.

In evaluating the LEADER Programme and extending that scope to current rural needs and opportunities and engaging with further with rural businesses, stakeholders and communities, the Council can draw together a prioritised approach to rural investment going forward. This in turn can be refined and tested with emerging data to produce critical insights and information to support the case for government investment in the county's rural economy and to add value and focus to the Council's advocacy and influencing role.

3. Consultation

a) Risks and Impact Analysis

The Risks and Impact Analysis will be undertaken during the procurement of the Evaluation work and built into ongoing project management of that work and the delivery of its findings.

4. Appendices

These are listed below and attached at the back of the report	
Appendix A	LEADER Project Case Studies

5. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Mandy Ramm, who can be contacted on 07917 520402 or mandy.ramm@lincolnshire.gov.uk.