

Bolsover Derbyshire District Council

Executive

11 August 2014

Bolsover North East Derbyshire LEADER Approach 2014-2020: Administration Support Request

Report of Cllr A Tomlinson, Deputy Leader

This report is public

Purpose of the Report

- To request the financial contribution of Bolsover District Council towards the administration of the 2014-2020 Bolsover North East Derbyshire (BNED) LEADER Approach.

1 Report Details

- 1.1 The BNED LEADER Approach operated 2008 to December 2013, targeting development of the rural economy in Bolsover and North East Derbyshire. As part of the Rural Development Programme for England (RDPE), overseen by the Department of Environment, Food and Rural Affairs (DEFRA), LEADER primarily focused grants to the private sector to assist with farm diversification, supporting and creating micro-enterprises, tourism activities, rural heritage and culture and the provision of training and information. Grants were also open to the public and third sector. An evaluation of the programme can be found on the BNED LEADER Approach website, at www.bned-leader.co.uk/evaluation/.
- 1.2 The accountable body for BNED LEADER is North Eastern Derbyshire Business Developments (NEDBD) Limited, a public-private partnership company limited by guarantee which operates in Bolsover, North East Derbyshire and Chesterfield, and whose members are the three district councils, the County Council, Chamber of Commerce and Trades Union Council. Operationally, the BNED LEADER Local Action Group (LAG), a public-private group which again includes the district councils as well as other partner agencies oversee the strategic direction of the programme. The Deputy Leader is the Council's representative on the LAG.
- 1.3 In summary, £1,904,092.34 was allocated to 32 projects across the two districts, which directly created 75 jobs, supported/created 30 businesses and supported 54 tourism events which attracted over 70,000 visitors to the area. Recognised as one of the top performing LEADER Programmes nationally by DEFRA's independent evaluators, the programme achieved a social return on investment ratio of 16.91:1 (£16.91 of added value for each LEADER £1 spent) and generated in excess of £4.5m additional private sector investment into the area. Although still early since the end of the programme, the activity has helped to increase the National Non-Domestic Rates (NNDR) generated in Bolsover by a further £20,425 per annum. Future projects and reviews by Valuations Office could see this increase further.

- 1.4 In addition to the project monies, DEFRA provided £354,000 towards the administration of the grants, which was delivered by 2.5FTE LEADER Officers employed until December 2013. Support was also provided by the NEDDC Strategic Partnership Co-ordinator in their role as Executive Officer of NEDBD Ltd, who worked a day per week on the programme. To cover the full administration costs, both the Council (via Working Neighbourhood Funds) and North East Derbyshire District Council (via Local Authority Business Growth Initiative funding) provided £66,000 over the lifetime of the project, with English Heritage providing a £1,000 contribution.
- 1.5 The 2008-2013 LEADER programme ended in December 2013, with the two (1.5FTE) Monitoring & Support Officers posts made redundant. The Programme Officer was retained during the 2014 Transition Period, funded by DEFRA, to focus on the development of the Local Development Strategy (LDS) for a potential 2014-2020 programme, which has to be applied for. Due to European Commission delays, the programme will not start until 1st January 2015; the new LDS has to be submitted by 5th September 2014, with the outcome notified in November 2014.
- 1.6 DEFRA has advised that there will be an increase in the number of LAGs across the country from 64 to up to 70. This means that the national LEADER allocation will be distributed more widely; BNED LEADER has been advised that the funding it will be allocated will be within the range of £1,321,000 to £1,617,000, which will include the administration budget, with up to 18% allowed for this element.
- 1.7 In light of the reduced budget, it is believed that the programme can be delivered as in the previous programme, but without the 1.0FTE Monitoring & Support Officer. This would leave 1.0FTE Programme Officer, 0.5FTE Monitoring & Support Officer and 0.2FTE Strategic Partnership Co-ordinator. This is the minimum which can be delivered whilst adhering to DEFRA's "separation of duties" rules, which means that project development, monitoring and payment must all be processed by separate individuals. To help provide office administration support and allow the delivery team to focus on their technical duties, the NEDDC Partnerships Support Officer will extend their working time by 8 hours per week. NEDDC would remain employing body for the BNED LEADER staff.
- 1.8 Calculations of administrative costs required for 2014-2020 have been based upon receipt of the lowest figure within the range provided by DEFRA, to ensure the budget is available. To assist reduce costs, the following actions have been agreed:
- DEFRA have advised that LEADER programmes can be shortened within the six year timescale and the LAG have agreed to do this if required, in order to reduce the need for a Monitoring & Support Officer in years 5 and 6 of the programme. Realistically this can only be shorted to a minimum of four years in order to fulfil DEFRA's monitoring requirements. The longer the officer is in place, the more flexible the project delivery can be, as the programme is reliant upon private sector applications coming forward which have confirmed match funding in place. It will not be immediately known whether demand from applicants will allow for this reduction in the scheme; however, the length of contract for the Monitoring and Support Officer will reflect the potential operational end in year 4.
 - NEDDC have offered the cost of the Strategic Partnership Co-ordinator as a pro-rata in-kind contribution, up to a maximum of 100%, with all office costs remaining in-kind. The total for this support is approximately £14,000 per annum.

- A residual £10,000 held by NEDBD Ltd from the previous LEADER programme will be used to subsidise costs. The remaining 2008-2014 LEADER monies held in NEDBD will be retained to cover audit and accountancy costs and maintain a ring-fenced redundancy budget for the LEADER staff, should this be required.

Despite these measures, current forecasts suggest a cash shortfall of £12,146 per annum for six years (totalling £72,874).

- 1.9 Due to the £1,321,000 to £1,617,000 range provided by DEFRA, this shortfall is envisaged to be a maximum level. The greater the allocation from DEFRA, the lower the likely required funding supplement from the Council. The table below shows the difficulty in forecasting the required contribution due to the range of parameters, which alter significantly:

	Required BDC Support if Lowest Possible Allocation received £1,321,000	Required BDC Support if Indicative Median Allocation received £1,469,000	Required BDC Support if Highest Possible Allocation received £1,617,000
With Monitoring & Support Officer for 6 years	£12,146	£9,168	£6,948
With Monitoring & Support Officer for 4 years	£9,171	£6,950	£4,731

All costs are based upon an equitable contribution against the NEDDC in-kind staff contribution.

- 1.10 DEFRA will only confirm any BNED programme allocation in November 2014 however, and confirmed budgets are required to inform the Local Development Strategy for its 5th September deadline. Bolsover District Council is therefore asked to approve an indicative financial contribution towards the administration of the Bolsover North East Derbyshire (BNED) LEADER Approach to a maximum of £12,000 per annum between January 2015 and December 2020, to a maximum total of £72,000. Upon DEFRA's anticipated announcement of the final LDS allocation in November 2014, the Council will be advised of the confirmed level of funding required. Although there is cause to be optimistic that the allocation will be higher, based upon the nationally recognised success of the previous programme, this cannot be taken for granted.

2 Conclusions and Reasons for Recommendation

- 2.1 Experience of delivering the 2008-2013 programme highlights the need to retain a dedicated delivery team responsible for the promotion, project development, monitoring, representation and administration of the scheme. Although the staffing resources dedicated to LEADER delivery has been reduced compared to the previous programme, a core capacity is needed for 2014-2020 at a cost which exceeds the 18% limit set by DEFRA from the total programme costs.
- 2.2 The BDC financial contribution would ensure a balanced administrative budget, and match the NEDDC in-kind contribution of the Strategic Partnership Co-ordinator.

3 Consultation and Equality Impact

- 3.1 The BNED LEADER LAG which met on 26th June 2014 felt that although their ambition is to allocate as much of the programme funding as possible to projects, this should not be to the detriment of ensuring that there was an appropriately resourced, dedicated delivery team. The LAG felt that prudence directed that the administrative budget should be based on the lowest funding allocation, with up to 18% of the total funds used for administration should it be required.
- 3.2 The issue does not necessitate the undertaking of an Equality Impact Assessment.

4 Alternative Options and Reasons for Rejection

- 4.1 Considerations of in-kind support for the Monitoring and Support Officer from existing BDC and NEDDC and staff have been made. Experience of the demands for the officer time and technical focus makes such an arrangement impractical, particularly as colleagues are already asked to provide time in-kind to complete the project appraisals received by the programme.
- 4.2 It is believed that a dedicated officer focused on Bolsover and North East Derbyshire, based with the LEADER Team, allows for good customer service, consistency and flexibility in delivery. Therefore the option to share an officer with the Peak District LAG or buy in their services has been rejected, particularly as a cash contribution from the Council would still be required.
- 4.3 The Programme Officer is contracted to 31st December 2014 under the LEADER Transition arrangements. Although this provides the opportunity to reconfigure the budget with reduced hours for this officer within the new programme, or implement a total restructure, this option would create significant risk to future programme delivery, as there would be no front-line officers with the experience to deliver the programme from 1st January 2015 and would remove the well established working relationships with DEFRA and local stakeholders. Experience of the 2008-13 programme highlighted the difficulties of starting with a full complement of inexperienced staff and the need to maintain momentum negates this option.
- 4.4 Finances dictate that having 1.5FTE Monitoring & Support Officers as with the 2008-13 programme is inappropriate; the ability to purchase some spare capacity of the NEDDC Partnership Support Officer by extending their working week helps to provide administrative and technical support and maintain an office presence for received enquiries at a much lower cost, whilst the delivery team are out developing and monitoring the programme.
- 4.5 The Council could provide the requested amount of £12,000 no matter the final DEFRA allocation. Although the benefit to the scheme would be the ability to allocate more funding to projects rather than administration and management, with the expectation of increasing job creation and future business rates which may provide greater long term benefits for the Council and its communities, current budgetary pressures render this option unrealistic.

5 Implications

5.1 Finance and Risk Implications

The Council is asked to approve a maximum of £12,000 per annum. This figure will reduce significantly based on the following factors:

- More than the lowest possible allocation in funding being provided by DEFRA, which will increase eligibility for administrative funding (this will be known in November 2014);
- Whether the programme can be reduced in timescale from six to four years, therefore reducing the necessity to employ a monitoring officer for the final two years of the programme (this is dependent upon receipt of applications of sufficient quality being received in the first three years of the programme, and whether additional programme monies are allocated in the future by DEFRA, as experienced in the last BNED LEADER Programme).

It is proposed, as with the 2008-2014 programme, that the BDC monies are held by NEDBD Ltd. To manage risk, this arrangement will again be overseen with a Service Level Agreement and all payments being made on an evidence-only basis. Departmental finances for the LEADER Team will be managed on the BDC/NEDDC Civica system and dedicated spreadsheets, overseen by the NEDDC Strategic Partnership Co-ordinator, who will report to the BNED LAG (which includes the BDC Deputy Leader) and BDC Executive as appropriate.

5.2 Legal Implications including Data Protection

There are no legal implications. The funding will be overseen with a Service Level Agreement between the Council and NEDBD Ltd.

5.3 Human Resources Implications

NEDDC bear the Human Resources implications for the BNED LEADER staffing, recruitment and line management. A BDC representative will be included in the recruitment process for the vacant 0.5FTE Monitoring & Support Officer.

6 Recommendations

6.1 That Bolsover District Council approves an indicative financial contribution towards the administration of the Bolsover North East Derbyshire (BNED) LEADER Approach to a maximum of £12,000 per annum between January 2015 and December 2020, to a maximum total of £72,000, for the purposes of including within the Local Development Strategy the Council's financial commitment and submitting the Strategy by the 5th September 2014 deadline.

6.2 That Bolsover District Council is advised of the confirmed level of funding required upon DEFRA's announcement of the final allocation, expected November 2014.

7 Decision Information

Is the decision a Key Decision? (A Key Decision is one which results in income or expenditure to	Yes
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the Council of £50,000 or more or which has a significant impact on two or more District wards)	
District Wards Affected	All except Shirebrook East Ward Shirebrook Langwith Ward and South Normanton East Ward and parts of Bolsover South Ward, Bolsover West Ward and Bolsover North West Ward.
Links to Corporate Plan priorities or Policy Framework	Corporate Plan: Develop vibrant town centres and rural communities; Maximise employment Opportunities. Growth Strategy, Strategic Priority 1: Supporting Enterprise: maintaining and growing the business base

8 Document Information

Appendix No	Title
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet (NEDDC) or Executive (BDC) you must provide copies of the background papers)	
Report Author	Contact Number
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Report Reference –