



<u>Committee and Date</u> Shropshire Hills AONB Partnership 18 March 2014	<u>Item</u> 6
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LEADER 2015-2020

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Summary

This paper makes a recommendation for the AONB Partnership to make the decision to bid to be the LEADER Local Action Group for the Shropshire Hills for the 2015-20 round of funding.

Background

As outlined in previous papers, the AONB Partnership has secured a year of Transition funding for Jan – Dec 2014, enabling extension of the LEADER Co-ordinator post. The activities required in the transition year are to review performance of the 2009-13 programme, and principally to set out a new Local Development Strategy (LDS), to be submitted by August 2014.

The Shropshire Hills LEADER Development Group has had several meetings to discuss the future round of LEADER funding, and an additional AONB Partnership meeting was held on 13 Feb 2014 (see notes at Appendix 1). This took the form of a workshop on the opportunities for the Shropshire Hills from the national priorities set out by Defra for LEADER 2015-2020:

- Support for micro and small enterprises and farm diversification
- Support for increasing farm productivity
- Support for rural tourism
- Support for increasing forestry productivity
- Provision for rural services
- Support for cultural and heritage activity

These priorities offer great potential for delivery of AONB purposes. The Partnership has however needed to explore the risks and the potential for conflicts between the new LEADER priorities and the primary purpose of the AONB, which could cause difficulties for the Partnership also acting as the Local Action Group. In the worst case scenario this could perhaps involve the Partnership being obliged to support a grant under LEADER criteria for an activity which it would not support in relation to AONB purposes.

It appears that such conflicts may be avoided by the creation of a Local Development Strategy which sets as its over-riding theme the delivery of the economic outputs required, drawing on the high quality landscape of the Shropshire Hills while not harming it. If such a Local Development Strategy were to be approved by Defra (and endorsed by the Marches Local Enterprise Partnership as required), the potential for conflicts of purpose will be much reduced. If however the Partnership is steered hard to adapt the LDS to encompass economic activities which may be less compatible with the AONB, a 'line in the sand' might be reached which might require the Partnership to reconsider its role as a LAG.

The structures which are put in place for delivery of LEADER by the Partnership may also help to reduce any potential conflicts between LEADER and AONB purposes. These structures need further consideration, and firm recommendations are not made at this point regarding this. However, it appears that the scenario of the AONB Partnership itself remaining as officially the LAG, supported by other groups specifically for LEADER (e.g. Approval and Appraisal Panels), may have advantages compared to for example if a sub-group of the AONB Partnership were act as the LAG, and may take a more divergent path from AONB purposes. The role of the Approvals Panel and its membership in terms of avoiding conflict with AONB purposes also needs careful consideration.

In coming to a decision about acting as the LAG again, it appears that all risks cannot be eliminated at this stage, but that the potential benefits to the AONB Partnership of being the LEADER delivery body can outweigh the risks, if the programme is designed with this in mind. It is also likely that if the AONB Partnership did not act as LAG, either the Shropshire Hills would miss out on LEADER funding or perhaps another body may deliver LEADER in ways less compatible with the AONB. These alternatives are also background to the current recommendation to go ahead.

Geographical area. The AONB Partnership has previously expressed its preference to continue running LEADER in the same area as the 2009-13 round. Defra has indicated a desire to see rural areas not previously covered by LEADER included in the new round, but there is a recognition that the amount of money available may not make this practical. It appears therefore that we are in a strong position to put forward our LDS for the same Shropshire Hills area, which will help in terms of connection to the AONB, and to the Destination Development Partnership structure for tourism, which also uses the LEADER area. An exception to this may be Ludlow, which it looks likely will not fall within new definitions of 'rural' (population threshold 10,000), and may have to be excluded from the LEADER area, or perhaps be classified as a 'hub town' which may be included in LEADER activity but not count towards the population of our LEADER area.

Process and timetable for production of Local Development Strategy

The writing of the new Local Development Strategy will be led by members of the AONB Partnership staff team over the coming months, supported by a programme of involvement and consultation with Partnership/LAG members and the wider community (see Appendix 2). The LEADER Development Group will also play a valuable role to advise, but any significant decisions will come back to the Partnership as LAG. Additional members of the Partnership wishing to join the LEADER Development Group will be welcome to do so.

National Update

The general implications of the CAP Reform decisions for LEADER are as follows:

- Budget now set for next programme period (2014-2020).
- 12% transfer agreed from Pillar 1 (Direct payments) to Pillar 2 (RDP)
- Potential to increase transfer to 15% for final 3 years of the programme.
- Pillar 2 budget £3.5bn over the next 7 years (Previously £3.8bn)
- 87% of Pillar 2 budget for Environmental schemes. 13% (£460m) Social & Economic.
- The 13% Social & Economic elements equate to approximately –
 - £177m Growth Programme via LEPs
 - £140m Farming & Forestry Productivity
 - £140m LEADER

LEADER 2009 -2013 programme

The 5% target of £133.2m of RDPE expenditure through the LEADER approach has been met. Spend for the 64 English LAGs as of 20/02/2014 totals £133.5m, with a further £1.7m of project and £1.6m of Management and Admin to claim by March 2014.

The European Commission auditors will be in England in June 2014. It is not clear what the auditors will want to look at. Two to three weeks' notice will be given should they wish to audit the Shropshire Hills LAG.

4. Recommendation

The Partnership is recommended to:

- i. support the development and submission of a new LEADER Local Development Strategy for 2015-2020, as far as possible to the same geographical area as the previous LEADER round, linking economic outputs strongly to the qualities of the AONB, and with the AONB Partnership as the Local Action Group (with detailed structures to be decided in due course).
- ii. approve the role of the LEADER Development Group to support development of the LDS, with any significant decisions coming back to the Partnership.

List of Background Papers None
Human Rights Act Appraisal The information in this report is compatible with the Human Rights Act 1998.
Environmental Appraisal The recommendation in this paper will contribute to the conservation of protected landscapes.
Risk Management Appraisal Risk management has been appraised as part of the considerations of this report.
Community / Consultations Appraisal The topics raised follow on from earlier discussions with Partnership members.
Appendices Appendix 1 Notes of AONB Partnership workshop on 13 February 2014 Appendix 2 New Local Development Strategy development timetable

Notes from Shropshire Hills AONB Partnership LEADER Workshop Thursday 13 February 2014 Carding Mill Valley

Present:

Pete Banford	Shropshire Hills LEADER Coordinator
Clare Fildes	Shropshire Hill AONB Partnership Development Officer
Phil Holden	Shropshire Hill AONB Partnership Manager
Mike Kelly	Shropshire Hill AONB Partnership River Valleys Officer
Andrew Tyley	Shropshire Hills AONB Partnership Member
Mike Morris	Shropshire Hills AONB Partnership Member
Lisa Bedford	Shropshire Council Community Action
Fiona Pidduck	Shropshire Hills AONB Partnership Member
James Williamson	Shropshire Hills AONB Partnership Member
Ron Repath	Shropshire Hills AONB Partnership Member
Veronica Cossons	Shropshire Hills AONB Partnership Member
Ian Dormor	Shropshire Hills AONB Partnership Member
Sue Jones	Shropshire Hills AONB Partnership Member
Jo Jury	DEFRA
Joe Bubb	Shropshire Council External Funding Team
George Chancellor	Shropshire Hills AONB Partnership Member (Chair)
Alison Caffyn	Shropshire Hills AONB Partnership Member (Vice Chair)
Peter Carty	Shropshire Hills AONB Partnership Member
Gill Binks	Shropshire Hills AONB Partnership Member

1. LEADER 2015 – 2020

Pete Banford gave an update on what is known about the next programme:

(N.B. The information below has not yet be signed off by Ministers)

- £140m budget
- Budget to be more evenly allocated across LAGs
- Challenge to increase geographical coverage but not expecting 100%
- The programme will focus on jobs and growth
- 70% direct to businesses, 30% contributing to growth through other means
- Six policy areas and related Measures
- Open and competitive process
- All groups in place by 1st Jan 2015
- Local Development Strategy needs to be endorsed by the Marches LEP.

The national framework and LDS application process will be available no later than 31st March 2014.

2. PRIORITIES FOR THE NEXT PROGRAMME

Jo Jury talked through the six priorities for investment through LEADER 2015 – 2020:

• **Support for micro and small enterprises and farm diversification**

Direct grants to businesses. It is envisaged that a £20,000 maximum grant will be placed on this priority. The micro and small enterprise element can be from any business background and not just from the farming sector e.g. digital media, light industry etc.

• **Support for increasing farm productivity**

Intervention rate 40 – 50 % with private sector match. This priority is focused on the improvement of productivity of farm holdings.

- **Support for rural tourism**

This priority can support businesses and organisations with an interest in tourism.

- **Support for increasing forestry productivity**
- **Provision for rural services**
- **Support for cultural and heritage activity**

3. POTENTIAL OPPORTUNITIES FOR THE SHROPSHIRE HILLS

Small groups were formed to explore each of the priorities from a Shropshire Hills perspective and to begin the process of understanding the current position.

Current characteristics of the area:

- High quality landscape
- Few job opportunities – especially for graduates
- Low wages
- High levels of self-employment
- Care and tourism sectors predominate
- Home based businesses
- Creative industries
- Festivals and events
- High proportion of experienced retired people
- Food processing and supply chains – artisans
- Forestry is primarily small woodland
- Poor broadband services

Existing support for partners:

- Shropshire Council Business support and External Funding Team
- Shropshire Chamber of Commerce
- Forestry Commission & Forestry Enterprise Zone
- Shropshire Hills & Ludlow Destination Development Partnership
- Rural Hubs
- Catchment Sensitive Farming
- New Environmental Land Management Scheme (NELMS)
- Voluntary sector
- Harper Adams University College
- Land Life and Livelihoods

- **Support for micro and small enterprises and farm diversification**

Ideas: B & B, microbreweries, art and crafts, local food, alternative accommodation, pub diversification, music, pets and horses mobile services, shops and retail, water resources protection, digital media, farm engineering service, business support services, environmental technology, small woodland management, cafes, farm shops, IT services, Post Office, camp sites, glamping, direct farm sales, yogurt making, ice cream making, cider production, Shropshire prune.

- **Support for increasing farm productivity**

Ideas: Mobile sheep handling unit, Soil conservation, resource protection technology e.g. solar pumps for drinking troughs, farm tracks for access to woodland for fuel, animal health and welfare, water storage, plant and machinery cooperative, pollinators, building upgrades, ecosystem services.

- **Support for rural tourism**

Ideas: Accommodation upgrade, old rail network for cycling, bridleways and walking routes, angling, improve walking routes, web based promotion, interpretation panels, cafes, bird watching, farm stays, Worldwide opportunities on organic farms (woofing), Delivery of Sustainable Tourism Strategy, equestrian tourism, bunk houses, heritage tourism, transport e.g. Shuttle buses, transport links to train stations, festivals.

- **Support for increasing forestry productivity**

Ideas: Small farm woodland, community woodfuel projects, added value to timber product e.g. planking, furniture, building materials, purchase of plant and machinery, improve access to woodlands / forestry sites, woodfuel supply chains, local timber products e.g. play areas.

- **Provision for rural services**

Ideas: Pub diversification e.g. post office and or shop, Community shops, rural transport, village hall home working hubs, childcare provision, community food, growing supply chains, IT support services – particularly for the farming community, community energy schemes, wheels to work style project.

- **Support for cultural and heritage activity**

Ideas: Restoration of heritage sites, interpretation, rural skills development, smallholding advice and sympathetic land management, research, heritage and cultural tourism promotion, educational packages.

Shropshire Hills LEADER Local Development Strategy 2015 – 2020 development

Key Actions	Target Date for completion of task	Success Indicator
Shropshire Hills AONB Partnership LEADER 2015 – 2020 workshop	13 th February 2014	Notes of meeting
Paper presented to Shropshire Hills AONB Partnership recommending that the Partnership support the development and submission of a new LEADER Local Development Strategy for 2015-2020, as far as possible to the same geographical area as the previous LEADER round, linking economic outputs strongly to the qualities of the AONB, and with the AONB Partnership as the Local Action Group.	18 th March 2014	Recommendation approved by Partnership - Minutes
Desk based analysis and creation of Stakeholder Analysis	30 th May 2014	Stakeholder Analysis Statistical Evidence to support LDS
4x LEADER 2015 – 2020 community engagement/ consultation workshops. Consultation events to be held in the North, South, East and West of the LEADER area.	14 th May 2014	Agendas, reports, attendance sheets, photographs etc.
Submit proposed Shropshire Hills LEADER boundary to Defra. Defra to allocate indicative budgets.	23 rd May 2014	Indicative budget received.
2x LAG visits to LEADER areas where economic and or employment creation outputs occurred in the 2008 - 2013 programme.	30 th June 2014	Reports and feedback presentations
Draft edition of LDS presented to LEADER Development Group	30 th June 2014	LEADER Development Group Minutes
LDS presented to Marches Local Enterprise Partnership for approval	11 th July 2014	LEP response
Shropshire Hills LDS 2015 – 2020 presented to Shropshire Hills AONB partnership for approval.	31 st July 2014	LDS approved by Partnership – Minutes
LDS submitted to DEFRA for approval	5 Sept 2014	
Shropshire Hill LDS 2015 – 2020 approved	Nov – Dec 2014	Funding contract