

# CHESHIRE EAST COUNCIL

## Cabinet

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<b>Date of Meeting:</b>	13 <sup>th</sup> October 2015
<b>Report of:</b>	Steph Cordon, Head of Communities
<b>Subject/Title:</b>	Cheshire East EU LEADER Programme 2015 - 2020
<b>Portfolio Holder:</b>	Cllr Rachel Bailey, Children and Families

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### 1. Report Summary

- 1.1. As a Residents First Council we want to ensure that our rural businesses and other rural communities have the opportunity to access rural funding streams, and so that we have a strong and resilient economy and can ensure that Cheshire East is a green and sustainable place.
- 1.2. This report provides an update with regard to the Cheshire East EU LEADER Programme 2015 – 2020, and the developments that have taken place to ensure that Cheshire East is in a position to deliver against the programme requirements. The report also requests Cabinet approval for decisions that will enable the Programme to commence once Defra have formally announced the LEADER Programme launch.

### 2. Recommendations

- 2.1. That Cabinet acknowledges and approves the actions against each of the following recommendations: -
- 2.2. That Cheshire West and Chester Council is the Accountable Body for the Cheshire East LEADER funding bid, and that within this Accountable Body role Cheshire West and Chester Council receive and distribute grant funding on behalf of the Cheshire East LEADER Local Action Group.
- 2.3. That Cheshire East Borough Council set up and be a member of the Cheshire East LEADER Local Action Group (CE LAG) and agrees appropriate Portfolio Holder representation on the CE LAG.
- 2.4. That Cabinet support and approve Cheshire East Borough Council entering into a Partnership Agreement, as one of the members of the CE-LAG, with Cheshire West and Chester Council (as the Accountable Body for the CE-LAG).
- 2.5. That Cabinet support and approve Cheshire East Borough Council entering into a separate partnership agreement with Cheshire West and Chester

Council to set out the obligations of both Councils in relation to the operation of the Cheshire East LEADER Programme.

- 2.6. Review and comment on the content of the draft Partnership Agreements and agree that final amendments can be agreed by the Head of Communities in consultation with the Portfolio Holder for Children and Families (whose portfolio includes responsibility for Rural Affairs), the s151 Officer and the Head of Legal Services and Monitoring Officer.

### **3. Other Options Considered**

- 3.1. There are no other options to be considered.

### **4. Reasons for Recommendations**

- 4.1. Accountable Body - A Cabinet Briefing Note about EU LEADER 2015 – 2020 was prepared and went to Informal Cabinet on 29 July 2014. The Note outlined reasons for recommending that Cheshire West and Chester be the Accountable Body, and the recommendation was endorsed by Cllr Rachel Bailey as the Portfolio Holder.
- 4.2. The Accountable Body is responsible for the delivery of the programme on behalf of the Local Action Group. They are responsible for the successful conclusion of the programme, and also undertake to ensure that financial propriety and compliance is observed in the management and administration of the programme. In addition, the Accountable Body has a clear and defined role in project development, project assessment, project monitoring and processing grants through a range of administrative, audit and financial procedures. This also includes developing project proposals and having a communication strategy.
- 4.3. Cheshire West and Chester put forward a strong case in their discussion paper to Cheshire and Warrington LEP on 17 July 2014 and the Sub Regional Leaders Board, that they remain the accountable body for LEADER funding for Cheshire and Warrington. They have been the accountable body for the past two LEADER programmes (LEADER+ (2000 – 2006); LEADER (2007 – 2013) and have delivered a large number of projects as a result.
- 4.4. Cheshire West and Chester Borough Council received transitional funding from DEFRA in March 2014 to support the development of Local Development Strategies and LEADER bids from Local Action Groups in the Cheshire and Warrington area.
- 4.5. Cheshire West and Chester as the Accountable Body have appointed a Programme Manager (East), a Programme Manager (West) and a Support Officer to manage and administer the Cheshire LEADER programme. This

staff team commenced in post on 29 June 2015 and are based at Wyvern House, Winsford.

- 4.6. Cheshire East LEADER Local Action Group – It was a requirement by DEFRA that all LEADER funding bids had to be submitted by 4 September 2014. Bids were in the form of a Local Development Strategy, and it was a requirement that these indicated who would be the members of the Local Action Group (LAG).
- 4.7. During July and August 2014 a range of names and roles were approached to create a Shadow LAG for Cheshire East. This group was chosen to represent the LEADER priority areas and to ensure a proportionate mix of public, private and voluntary individuals. The LAG is evolving and has been added to as further individuals are identified. The current list of names is as follows: -

<b>Name</b>	<b>Organisation</b>	<b>LEADER Priority theme(s)</b>	<b>Public, Private or Third Sector</b>
Cllr Rachel Bailey (Chair)	Cheshire East Council	All area	Public
Andrew Jackson	Gate Farm Enterprises	Farm Productivity; Business Development; Rural Services	Private
Philip Posnett	Houghton Hall	Business Development; Farm Productivity; Forestry	Private
Robert Parton	Aqueduct Marina	Business Development; Tourism, Culture and Heritage; Rural Services	Private
Richard Gardiner	Cheshire Wildlife Trust	Farm Productivity; Tourism, Culture and Heritage; Forestry	NGO
Jake Thompson	Forestry Commission	Forestry	Public
Tony Rimmer	Rostons Land Agent	Farm Productivity	Private

Janet Maughn	Overwater Marina	Business Development; Tourism, Culture and Heritage; Rural Services	Private
Steve Wilkinson	Farmer	All areas	Private
Rose Rowland	Chartered Accountant	Farm Productivity; Business Development; Forestry	Private
Lucy Rogers	Canal and River Trust	Tourism, Culture and Heritage	NGO
Stuart Yarwood	LEP Rural Strategy Board/ChALC	All areas	NGO
Mike Gorton	NFU	Farm Productivity; Business Development;	NGO
Rebecca Wainwright	Marketing Cheshire	Tourism, Culture and Heritage	Public
Paul Nolan	Mersey Forest	Forestry	Public
Annette Macdonald	Reaseheath College	Farm Productivity	Public
John Heselwood	Cheshire Community Action	All areas	NGO
Craig Bradley - LAG Partnership Manager	Rural Payments Agency	All areas	Public

4.8. The Cheshire East LAG is also supported by the following officers from Cheshire East Council. These officers provide additional skills and expertise to ensure security and sustainability of the CE LAG and compliance with the Authority's corporate objectives. Officers will attend LAG meetings in an advisory capacity only and as such it should be noted will have no voting rights.

Rachel Bolton	Cheshire East Council	Business Development	Public
Brendan Flanagan	Cheshire East Council	Tourism, Culture and Heritage	Public
Sheila Woolstencroft	Cheshire East Council	Public Health Team	Public
Sharon Angus-Crawshaw	Cheshire East Council	Partnerships and Communities	Public

- 4.9. It has been recognised that the CE LAG requires additional Portfolio Holder support at meetings. The Portfolio Holder for Children and Families, and Rural, is the Chair of the LAG. It is suggested that given the focus on jobs and growth, that it will be appropriate for the Deputy Portfolio Holder for Finance, Councillor Sam Gardner, to also become a member of the LAG
- 4.10. During late 2014 and 2015 the Shadow LAG has met approximately every 3 months, to be updated on the progress of the LEADER funding bid. The LAG constitution and structure will be formally endorsed, and LAG executive board will be elected, at the next meeting in November 2015 in line with the partnership agreement required.
- 4.11. The LAG Executive Board is responsible for receiving applications for financial assistance, making recommendations to the RPA Partnership Manager, providing regular financial reports, monitoring the progress of projects and setting budget profiles. It is expected that the Executive Board shall be comprised of up to 11 members, with up to 2 representatives from each sector plus a representative from Cheshire East Council.
- 4.12. Partnership Agreements - It is a requirement by DEFRA that Accountable Bodies hold a partnership agreement with each Local Action Group. In addition, the Accountable Body needs to have a partnership agreement with the relevant Local Authority whose area the LAG covers. The Cheshire East LAG area covers the geographical boundary of Cheshire East Council.
- 4.13. Legal representatives from Cheshire West and Chester and Cheshire East Councils have met with Council Officers responsible for the implementation of the EU LEADER Programme to draft partnership agreements. This has been more complex and lengthy as originally anticipated, as is subject to outstanding actions from DEFRA. These may mean that some parts of the partnership agreements will need to be revisited once all of DEFRA's requirements are known.
- 4.14. The Partnership Agreement between the LAG and the Accountable Body (AB) sets out the purpose and duties of the LAG and outlines the functions

and responsibilities of the AB. It also provides the required constitution and governance for the LAG and will contain a copy of the Defra Grant Conditions.

- 4.15. The Partnership Agreement between the Accountable Body and Cheshire East Council sets out the obligations of both parties in relation to the Cheshire East Leader Programme. It establishes the relationship between the Parties, the processes for achieving the Programme and for distributing the grant. The document notes the agreement that Cheshire West and Chester Borough Council shall act as the Accountable Body, and outlines the financial obligations that the Accountable Body will have. It also notes that the Parties agree to establish the CE LAG which will have responsibility for overseeing and managing the Programme as set out in the CE LAG Constitution.

## **5. Background/Chronology**

- 5.1. LEADER is a well established method of providing Rural Development Programme (RDP) funding at a local level. Priorities for the programme for 2015 – 2020 are: -
- Support for increasing farm productivity
  - Support for micro and small enterprises and farm diversification
  - Support for rural tourism
  - Provision of rural services
  - Support for cultural and heritage activity
  - Support for increasing forestry productivity.
- 5.2. It is a requirement of the Programme that 70% of all funds must be spent directly on rural jobs and growth, and the remaining 30% of funds need to demonstrate that they are creating the environment for rural jobs and growth.
- 5.3. Following the submission of the Cheshire East Local Development Strategy to DEFRA by 4<sup>th</sup> September 2015, the authority was advised that the bid had been successful in December 2014.
- 5.4. The funding allocation for Cheshire East was confirmed on 27 February 2015 as £1.400m. Funding will be allocated across the priority themes over an anticipated 4 year programme.
- 5.5. It is expected that the fund will support approximately 46 projects and create around 60 jobs. The average grant offer is expected to be around £28,000 and the intervention rate is 40% for most schemes, so the average total project spend for each project is anticipated to be in the region of £70,000
- 5.6. Projects will need to have all required planning permissions and match funding in place before grants can be allocated. It is proposed that a process is put in place to ensure that accelerated support from Cheshire

East Planning is made available for LEADER projects, and this will be outlined within a separate cabinet report on rural developments.

- 5.7. DEFRA and the Rural Payments Agency have continued to advise Accountable Bodies and LAGs as anticipated timescales have slipped, and paperwork from DEFRA has been delayed.
- 5.8. In the meantime, officers from Cheshire East and Cheshire West and Chester have met regularly to update and make progress where possible. An outline Communication Strategy has been prepared and a Cheshire LEADER website set up.
- 5.9. Two part-time Programme Managers (one each for East and West) and a full time Support Officer have been recruited and commenced in post on 29 June 2015. They are based at Wyvern House, The Drummer, Winsford. There was a very strong cohort of candidates for the roles advertised and we are satisfied that we have an excellent team in place to successfully deliver the Programme.
- 5.10. LEADER Training has been undertaken, and the LAG Delivery Plan and Expenditure Template which outlines the proposed spend profiles and outcomes for each year has been completed for submission to the Rural Payments Agency.
- 5.11. We are advised by DEFRA that the current indicative launch for this LEADER Programme is 15th October 2015.

## **6. Wards Affected and Local Ward Members**

- 6.1. Eligibility for LEADER funding is determined by postcode and the majority of wards across Cheshire East are covered by this scheme.

## **7. Implications of Recommendation**

### **7.1. Policy Implications**

- 7.1.1. EU LEADER funding is for capital projects only. In some cases projects may require planning permissions to develop existing structures or build new ones. It is a requirement by Defra and the Rural Payments Agency that potential projects be independently appraised and a methodology and organogram to ensure that this is carried out has to be articulated within the Delivery Plan. In addition the Cheshire East Business Investment department will agree an additional mechanism to allow potential projects to be reviewed and appraised for soundness and to ensure that they fall within Planning Policy.

- 7.1.2. The implementation of the Cheshire LEADER Programme in Cheshire East will help to support and strengthen any rural policy such as rural proofing.

## **7.2. Legal Implications**

- 7.2.1 Grant funding is received from the European Agricultural Fund for Rural Development which funds rural development under the Common Agricultural Policy and jointly funds the Rural Development Programme for England together with the Department for Environment Food and Rural Affairs. It is made under EU regulations (the main provisions being Common Provisions Regulation 1303/2013, Rural Development Regulation 1305/2013 and Financing Management and Monitoring Regulation 1306/2013).
- 7.2.2 LEADER Local Action Groups are partnerships which help to determine the distribution of rural development funding at a local level. The members of the CE-LAG are members of the public and members of private and civil society organisations. There is an Executive Board whose members include a senior elected member from the Cheshire East Council. LAGs do not have separate legal status and therefore are unable to hold and distribute funds themselves. Accordingly, it is necessary for a Council to be nominated as “accountable body” for this purpose. In this case Cheshire West and Chester Council will undertake this role due to its previous history in delivery of LEADER programmes and it will enter into a funding agreement and a delegated authority agreement with DEFRA to receive and pay out grant funds to grant recipients. There is consequently a need for appropriate governance arrangements to be put in place in relation to this role between Cheshire West and Chester and the LAG.
- 7.2.3 As Cheshire West Council is the Accountable Body for this Programme and Cheshire East Borough Council is agreeing to set up and be a member of the CE Local Action Group the two Councils will enter into a separate Partnership Agreement.
- 7.2.4 Whilst Cheshire West and Chester Council as Accountable Body will release the funding in terms of the sums granted, it will rely upon decisions made by the CE-LAG as to which projects are to be granted funding. There are provisions within the funding agreement which make it responsible to DEFRA for overseeing the operations of the CE-LAG, responsible for the acts and omissions of the CE-LAG and for drawing up a terms of reference setting out the responsibilities and organisational structure of the CE-LAG (details for the contents of which are contained within DEFRA guidance).
- 7.2.5 The funding agreement sets out the terms and conditions of the grant agreements to be entered into with the recipients of the funding and states that the Accountable Body use its reasonable endeavours to ensure that the recipients comply with the conditions of the grant agreement and take all necessary steps to enforce the terms of the agreement and comply with reasonable instructions from DEFRA.



7.2.6 In its proposed partnership agreement with Cheshire East Borough Council, Cheshire West Council have requested an indemnity against any expenses, liability, loss, claim or proceedings whatsoever arising from their neglect, act, error or omission when carrying out work or an activity for or in connection with the Programme or within the scope of the Local Development Strategy. Cheshire East Borough Council's liability will be limited to the financial level of the running costs the agreement but it will share the risk with Cheshire West and Chester Council which would otherwise sit wholly with Cheshire West (as accountable body).

### **7.3. Financial Implications**

7.3.1. As set out in paragraphs 5.4 – 5.6, the funding allocation for Cheshire East is £1.4m. It is expected the fund will support approximately 46 projects with the average for each project expected to be around £70,000.

7.3.2. Cheshire East Council is not the Accountable Body for this Programme. Any financial implications regarding the delivery of the Programme for the authority are limited to an indemnity clause within the partnership agreement between the Accountable Body and Cheshire East Council.

7.3.3. Subject to exceptions, the indemnity will cover any expenses, loss, claim or proceedings whatsoever arising from their neglect, act, error or omission by Cheshire East Council and their employees when carrying out work or an activity for or in connection with the Programme or within the scope of the Local Development Strategy.

### **7.4. Equality Implications**

7.4.1. The Cheshire East Local Development Strategy outlines the CE Equality and Inclusion Statement under Schedule 3 of the LDS document, as required by Defra

### **7.5. Rural Community Implications**

7.5.1. LEADER is a well-established method of providing Rural Development Programme (RDP) funding at the local level. LEADER is a (French) acronym which roughly translates as 'Liaison among Actors in Rural Economic Development'

7.5.2. The 7 principles of LEADER are: -

- Area based local development strategies;
- Bottom up elaboration and implementation of strategies
- Local public private partnerships - Local Action Groups
- Integrated multi sectorial actions

- Innovation
- Co-operation
- Networking

7.5.3 The main advantages of the LEADER approach are that:

- Local people have a better knowledge of local challenges that need to be addressed.
- The LAG is able to mobilise local resources for the development process in a way that does not happen with traditional 'top-down' approaches.
- Local people have a greater sense of ownership and commitment to locally relevant projects, which in turn allows them to make the best of their assets and development opportunities.
- It can help develop trust and positive working relationships amongst the local community and businesses.

## **7.6. Human Resources Implications**

7.6.1. Resources have been provided as part of existing staff job roles

## **7.7. Public Health Implications**

7.7.1. The involvement of Public Health to advise the CE LAG should ensure that any health implications arising from proposed projects can be effectively and quickly addressed. The aim is to resolve implications into positive and beneficial ones,

## **7.8. Other Implications (Please Specify)**

7.8.1. There are no other implications

## **8. Risk Management**

- 8.1. The LEADER funding programme has the potential to bring in a grant investment of £1.4 million across the Cheshire East area. Combined with match funding requirements this has the potential to double the investment. Successful areas will have the opportunity to draw down underspend from other Local Action Groups, and inter-regional or inter-territorial projects can attract additional funding.
- 8.2. The Cheshire East Local Action Group is intending to take a robust approach with regard to the successful delivery of the Programme. We

want the Cheshire East LEADER Programme to lead the way in the North West, if not the UK.

- 8.3. The appointment of a highly skilled and experienced LEADER Programme Manager for the East, Mandy Sibthorpe, who has previously delivered against RDPE programmes, will ensure expert advice and guidance to the CE Local Action Group
- 8.4. Membership of the CE LAG includes a broad range of experience and expertise and the support of highly skilled CE managers. The CE LAG is fluid and evolving and gaps can be addressed through clear communication and transparent recruitment processes.

## **9. Access to Information/Bibliography**

- 9.1. The Draft Partnership agreements are attached to this report
- 9.2. Information about the LEADER programme can be accessed here <https://www.gov.uk/rural-development-programme-for-england-leader-funding>
- 9.3. Copies of the Cheshire East Local Development Strategy and associated papers are available for inspection on request from the report author.

## **10. Contact Information**

Contact details for this report are as follows:-

Name: Sharon Angus-Crawshaw  
Designation: Strategic Partnership Manager, Partnerships and Communities  
Tel. No.: 01270 685793  
Email: [sharon.angus-crawshaw@cheshireeast.gov.uk](mailto:sharon.angus-crawshaw@cheshireeast.gov.uk)