

# Cabinet report



Listening Learning Leading

Report of head of economy, leisure and property

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To: CABINET

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## Oxfordshire LEADER programme

### Recommendation

Subject to achieving a successful bid for the Oxfordshire LEADER programme, that the cabinet agrees to the council taking on the role of accountable body for the Oxfordshire LEADER programme, including the hosting of staff associated with the programme, and delegates the day-to-day management of this role to the head of economy, leisure and property.

### Purpose of report

1. The purpose of this report is to inform cabinet members of the Oxfordshire LEADER (the 'Liaisons Entre Actions de Developpement de L'Economie Rurale' or 'Links between actions for the development of the rural economy') programme and to seek agreement in respect of the financial and legal implications of the project on the council.

### Strategic objectives

2. The LEADER programme supports the council's strategic objective of "building the local economy" and corporate priorities of "continuing to invest to improve the viability and attractiveness of our towns", "supporting business growth in appropriate locations across the district, whilst protecting the character of our towns and villages" and "increasing the value of the visitor economy in South Oxfordshire".

### Background

3. Between 2008 and 2013, the council acted successfully as accountable body for the Southern Oxfordshire LEADER programme. The programme was led by a local action

group (LAG) and awarded £1.2 million in grants, brought in more than £2.5 million in private sector and other funding, and supported the growth of more than sixty businesses.

4. In November 2013, the Southern Oxfordshire LAG (Local Action Group) was awarded £36,713.24 transition funding to develop activities towards a new LEADER programme. This enabled the council to employ a casual member of staff to support transitional activities for the LAG.
5. During this transition period, Defra and the European Union invited bids for the next funding programme from 2015 to 2020.
6. In September 2014, the council, on behalf of the LAG, submitted a local development strategy bid to Defra for a new LEADER project covering parts of South Oxfordshire, the Vale of White Horse, West Oxfordshire and Cherwell districts. A copy of the bid is attached to this paper for information.
7. The reason for this new geographical coverage is due to Defra guidance that seeks to achieve a maximum of 150,000 population in relation to Local Enterprise Partnership (LEP) boundaries. The bid attracted the support of both the Oxfordshire LEP (OxLEP) and the South East Midlands LEP (SEMLEP).
8. In June 2014, following submission of the proposed LEADER area, Defra advised that an indicative budget of between £1.454 million and £1.899 million would be available if the Oxfordshire LEADER bid was successful. The outcome of this bid is expected to be announced shortly and officers anticipate that the new programme will start in early 2015.

### **Proposed Oxfordshire LEADER programme**

9. The proposed Oxfordshire LEADER programme will provide funding and support to promote innovative economic growth within a defined area of rural Oxfordshire from 1 January 2015 to 2020. The population of the proposed Oxfordshire LEADER area is 149,716, which is below Defra's 150,000 population threshold.
10. The area includes a large part of the River Thames and some of its tributaries, which provides opportunities for tourism businesses. It has a highly productive agricultural sector, but there are still many ways in which this sector's productivity could be improved. It is near to Oxford, Reading and Swindon, which provide good market opportunities for the area's businesses. There are also opportunities to develop innovative projects through collaboration with the area's world class universities and research organisations.
11. It should be noted that other potential LEADER programmes cover the majority of the remaining area of rural Oxfordshire. The proposed programmes are Chilterns, Cotswolds and North Wessex Downs.
12. The themes of the Oxfordshire strategy for 2015 to 2020 are:
  - reviving the River Thames – encouraging people to use the river rather than pass by it
  - get growing, get selling, get eating more local food – improving the processing and marketing of local food

- unlock the potential of woodland – actively managing woodland and developing the local distribution network for woodfuel, timber and wood products
  - vibrant villages – creating more economic activity in villages to stop them becoming dormitories with limited opportunities.
13. As part of the LEADER project's approach (encouraging rural communities to work together, to ensure 'bottom-up' development for the local area), the project's delivery will be overseen by the Oxfordshire LAG. The LAG is a multi-sector partnership led by local business and community representatives and local farmers from across the rural area, with support from the relevant district councils. A new LAG is currently in development with representation from a range of bodies, including ORCC, Earth Trust, NFU, Sustainable Wallingford, Canal and Rivers Trust, OxLEP, SEMLEP, Oxfordshire Business Enterprises, Diocese of Dorchester, Wallingford Local Food Producers Market, Pharmagenesis, and Silva Foundation. The LAG will be formally constituted in January 2015, subject to a successful outcome of the bid.
14. Defra has specified that 70 per cent of projects must directly support rural economic growth and the remaining 30 per cent of projects must also contribute to jobs and growth. Given the focus for LEADER activity on jobs and growth, and the need to join up with other activity locally, it is important that the local strategy for LEADER supports and complements the OxLEP strategy for economic growth across Oxfordshire.

### **Council's role as accountable body**

15. Officers propose that the council will continue to carry out the role of the accountable body on behalf of the LAG. The programme management staff will be employed and based within the accountable body to ensure effective administration of the public funds. These staff will comprise two posts, one of LEADER programme manager and one of LEADER financial monitoring officer.
16. The council acted as the accountable body for the Southern Oxfordshire LEADER programme 2008-2013 and the evaluation report of this programme noted that a survey of LAG members provided a number of very positive comments about the performance of the accountable body: "the link with SODC as accountable body worked well, both in terms of work done and value, and this relationship delivered more than just its statutory function".
17. There are several benefits arising from the council acting as accountable body for the Oxfordshire LEADER programme 2015-2020. These include the benefits to the local community (residents and businesses) in terms of ability to access funding to support economic development projects in the rural parts of the district. It also brings synergy with other teams within the council, including grants, planning and economic development. Whilst it is possible that another body outside the district could undertake the role as accountable body, the council is well placed to continue this role and has officers with the experience and expertise in undertaking the role. The transition LAG has requested that the council remains as the accountable body.
18. The accountable body has a responsibility to ensure that all LEADER activity complies with Rural Development Programme for England (RDPE) operating procedures. The accountable body will account for the income and expenditure of the LAG and ensure it has an appropriate accountable system. The accountable body will also take responsibility for maintaining and retaining records of each project to provide an audit

trail, regularly monitoring the progress of the projects and carrying out physical checks on project expenditure. In addition, the accountable body will ensure full compliance with all project monitoring and record retention requirements after the programme ends in 2020.

19. The council is ideally suited to performing the role of the accountable body as it offers a wider range of capabilities including project management skills, financial management skills and the ability to employ staff and procure. The council offers best practice from its experience with other community and project involvement. The council also has suitably robust financial and IT systems and processes in place to abide by requirements of the programme.

### Financial implications

20. The cost to the council will be incidental, with all staff and resource implications being covered by the facilitation and administration budget element of the project.

21. There is a risk that the Rural Payments Agency (RPA) may reject part of a claim. However, this risk will be minimised by:

- various financial monitoring procedures and checks that will be established (as per the previous programme), in line with the programme's operating manual
- an annual internal audit of the project (undertaken by the council's audit team)
- regular and continual dialogue between the project manager and Defra staff, which will include a regular inspections and audits by Defra.

### Legal implications

22. There are no legal implications arising from this report.

### Conclusion

23. The Oxfordshire LEADER project will continue providing support to rural enterprise and innovation in South Oxfordshire. Officers recommend that the council should play a key part in the Oxfordshire LEADER programme's delivery by taking on the role of accountable body for the programme, including the hosting of staff associated with the project, and delegates the day-to-day management of this role to the head of economy, leisure and property.

### Background papers

- Oxfordshire LEADER Programme 2015-2020 Local Development Strategy (5 September 2014)