

Rural Development Programme Update – Implications of some RDP measures on Council budget	14th June 2016
To: The Leisure and Development Committee For Decision	

Linkage to Council Strategy (2015-19)	
Strategic Theme	Accelerating our Economy & Contributing to Prosperity
Outcome	Support for RDP Village Renewal and Basic Services projects from Council funding
Lead Officer	Paul Beattie – Head of Prosperity and Place
Cost: (If applicable)	To be decided

The purpose of this report is to outline options around funding required to meet the obligations imposed by the Department for Agriculture, Environment and Rural Affairs. Given the timetable for roll out, decisions on funding are required now for the new financial year 2017/8.

Background

The Causeway Coast and Glens area has been allocated £7.87million of project funding for the Rural Development Programme 2014-2020. Initial allocations to the Schemes as follows:

Scheme	Amount
Rural Business Investment Scheme	£3,714,000
Rural Basic Services Scheme	£2,245,000
Village Renewal Scheme	£1,186,000
Cooperation Scheme	£525,000
Broadband Scheme	£200,000

DAERA stipulates that Councils must be the **sole applicant for projects under the Village Renewal Scheme** (in partnership with the village) and must have an input into projects under the Basic Services Scheme.

The Department has further stipulated that Councils **must financially support applications for both the Rural Basic Services and the Village Renewal Schemes**. Projects applying to both Schemes must have 25% match funding. No consultation was undertaken with Council in making this stipulation, with regard to the Basic Services theme. In addition, the Department has allowed no provision for technical assistance in implementing the Village Renewal Programme, therefore all work on this scheme will be at cost to Council time or resource.

Council's financial support must be a minimum of 5% of the match funding which would result in a potential shortfall of 20% funding for the village/community that partners the Council. The maximum grant available from the RDP fund for each of the two Schemes is as follows:

Scheme	Maximum RDP Grant (75%)	Total Project Cost
Basic Services	£180,000	£240,000
Village Renewal	£150,000	£200,000

Proof of match funding is a pre-requisite for all projects at application stage.

The first call for Village Renewal is for the preparation of Village Plans. Expressions of interest are currently being issued and this will give some guidance on the range of actions and funding required.

Approximate timetables for calls for these two measures are as follows:

Village Renewal Scheme – 2 Calls for Applications		
Expected Call Date	Expected LoO Stage	Expenditure expected
September 2016 (Village Plans)	End January 2017	2017-18 financial year
January 2018 (Capital)	End May 2018	2018-19 & 2019-20 financial years

Rural Basic Services Scheme – 4 Calls for Applications		
Expected Call Date	Expected LoO Stage	Expenditure expected
September 2016	End January 2017	2017-18 financial year
August 2017	End December 2017	2018-19 financial year
May 2018	End September 2018	2018-19 and 2019-20 financial years
February 2019	End June 2019	2019-20 financial year

Depending on the % match funding that Council is prepared to agree, the implications are as follows:

RDP Budgets as per Implementation Plan April 2016							
Village Renewal Scheme							
RDP contribution		Council contribution					
£1,186,000			5%	10%	15%	20%	25%
	RDP = 75% of overall cost	100% cost					
2017-18	£92,000	£122,666.67	£6,133	£12,267	£18,400	£24,533	£30,667
2018-19	£439,667	£586,222.67	£29,311.13	£58,622.27	£87,933.40	£117,244.53	£146,555.67
2019-20	£654,333	£872,444.00	£43,622.20	£87,244.40	£130,866.60	£174,488.80	£218,111.00
2020-21	£0	£0	£0	£0	£0	£0	£0
Total	£1,186,000	£1,581,333.33	£79,067	£158,133	£237,200	£316,267	£395,333
Basic Services Scheme							
RDP contribution		Council contribution					
£2,245,000			5%	10%	15%	20%	25%
	RDP = 75% of overall cost	100% cost					
2017-18	£515,000	£686,666.67	£34,333	£68,667	£103,000	£137,333	£171,667
2018-19	£730,000	£973,333.33	£48,667	£97,333	£146,000	£194,667	£243,333
2019-20	£700,000	£933,333.33	£46,667	£93,333	£140,000	£186,667	£233,333
2020-21	£300,000	£400,000.00	£20,000	£40,000	£60,000	£80,000	£100,000
Total	£2,245,000	£2,993,333.33	£149,667	£299,333	£449,000	£598,667	£748,333
	RDP contribution combined	100% cost	Council contribution combined				
			5%	10%	15%	20%	25%
2017-18	£607,000	£809,333.33	£40,467	£80,933	£121,400	£161,867	£202,333
2018-19	£1,169,667	£1,559,556.00	£77,978	£155,956	£233,933	£311,911	£389,889
2019-20	£1,354,333	£1,805,777.33	£90,289	£180,578	£270,867	£361,155	£451,444
2020-21	£300,000	£400,000.00	£20,000	£40,000	£60,000	£80,000	£100,000
Total	£3,431,000	£4,574,666.67	£228,733	£457,467	£686,200	£914,933	£1,143,667

As mentioned, this paper's purpose is to give members some options around the funding which will have to be put aside to meet the obligations imposed by the Department. Given the timetable for roll out, decisions on funding will have to be taken for, and will impact on, the new financial year 2017/8.

Decisions

The following decisions are required:

Rollout of the programme – that Council will agree to be applicant on behalf of the borough's villages – the scheme cannot proceed without this, as a stipulation from the Department.

Delegation of Authority – that Council makes an allocation of matching funding to the LAG, and oversight of the scheme will remain with it; the LAG is already a mix of community partners and elected members. The other option would be to have a separate assessment panel for the allocation of Council's matching funding.

Level of Matching Funding – that Council agrees a level of funding to allocate in the next financial year towards the Basic Services Scheme and Village Renewal Programme; options have been included on a multiplier of 5, with the minimum required matching funding being five percent, and a maximum being twenty five percent

Recommendations on each point:

Rollout of programme – *Council agrees to be the sole applicant acting on behalf of the Borough's villages* – this will cover the updating of current village plans (if required on a case by case basis), and at a later stage, the submission of applications for final funding.

Delegation of Authority – given the existing rigours of the application process which the Department has implemented against all aspects of the programme, factors such as ability to implement project, manage spend, safeguards of finance, and other capability factors will be measured at the assessment stage by the Local Action Group, which has extensive elected member representation. Council will, of course, be informed of outcomes. *It is recommended that the assessment and agreement of final project decisions should be delegated to the Local Action Group.*

Level of Matching Funding – in previous programmes, levels of funding varied from LAG area to area. This often left groups with a shortfall of funding to be found – while "in kind" contribution is allowable, it is often difficult to measure accurately, or leads to project delays – for example, in the acquisition of land. While this obviously has an impact on the rates setting process, the greatest positive impact on both applicants and process would be to set the assistance at 25%. *It is recommended that the matching funding is set at this level and factored into the rate-setting process for 2017-2020.*