

NEW LEADER Delivery Plan for Northumberland Uplands



Northumberland Uplands

Prepared by:

**Roger Wilson, Chair of Northumberland Uplands Local Action Group
Anna Charlton, Vice-Chair of Northumberland Uplands Local Action Group**

Supported by

Stuart Evans and Richard Austin, Northumberland National Park Authority (Lead Partner)

Submitted to One NorthEast on 19th September 2008

Amended following comments from One NorthEast on 8th October 2008



The European Agricultural Fund for Rural Development: Europe investing in rural areas.

1. Identifying high-level objectives and strategic priorities that LAGs plans to address through the New LEADER Approach.

Guidance:

On table 1.1 please provide a brief summary of your Local Development Strategy. At table 1.2 please identify your key high-level objectives (up to five) that you plan to address in your local area. You should outline your strategic priorities for action that will contribute towards achieving the high level objectives. Please ensure that you refer to the North East Implementation Plan (website address: www.rdpnortheast.co.uk/page/introduction.cfm), to ensure that your objectives and strategic priorities address RDPE priorities.

Examples of the types of projects/initiatives that you anticipate funding would be very helpful to demonstrate your approach.

Example:

High-level objective:

'Work towards creating a sustainable land based sector in the locality'.

Strategic priorities to be addressed under the high level objective:

- *Improve business competitiveness through the acquisition of new skills;*
- *Greater collaboration as a means to improve efficiency and creating new market opportunities for land based businesses in the locality;*
- *Encourage farm diversification in the LEADER area;*
- *Add value to locally produced food & drink.*

Project examples:

- *A mentoring initiative aimed at attracting young, new entrants into agriculture;*
- *Improvements to the local farmers market network;*
- *Farm diversification workshops.*

LEADER investment should be aligned with mainstream RDPE and other funding programmes. It should not duplicate existing activity.

2. Delivery of the New LEADER Approach:

The purpose of this section is to outline the New LEADER delivery arrangements to identify how each LAG will work towards achieving their high level objectives. To ensure regional consistency, we are asking all LAGs for information on:

- Key milestones and performance indicators.
- Financial information.
- Proposed use of RDPE measures.
- Management and Governance arrangements.

Guidance on completing milestones and key performance indicators and outputs on table 2.1.

Key milestones:

On table 2.1 please identify the **key** milestones and ensure that they meet the SMART criterion. The sort of information needed is listed below as an example. We have given some initial details, including regular RDA / SRP reviews. You should aim to provide at least five more.

Key performance indicators and outputs

Please complete key performance indicators you expect to achieve through the New LEADER Approach. The 'key indicators' will be used to performance manage LEADER delivery in terms of 'routine' monitoring. These will need to be agreed by LAGs, SRPs and One NorthEast. The key indicators will be used alongside other monitoring and evaluation tools, including any RDPE evaluation and the RDPE Common Monitoring Evaluation Framework that the EU have asked all RDAs to report back to DEFRA against.

We are aware that the bottom-up nature of the LEADER Approach will mean that being able to accurately forecast outputs will require 'best guess' estimates. The RDA / SRP sessions will give us the opportunity to review these on a six-monthly basis. However, it is not our intention to penalise LAGs, for example, if 10 jobs are predicted to be created, and only five actually arise.

Financial information

New LEADER expenditure:

One NorthEast is expecting LAGs to provide the Agency with **realistic** budget profiles for RDPE expenditure¹ within each financial year, until 31 March 2011. To ensure consistency across New LEADER partnerships, we have prepared a template at table 2.2 that we would like you complete, to contain the following information:

- Projected New LEADER expenditure profile against high level objectives and strategic priorities identified in section 1.
- A profile of proposed New LEADER funding arrangements, to include RDPE expenditure, private sector and other public sector contributions.

This information will be used to profile RDPE budgets to LAGs up until 31 March 2011.

However, One NorthEast is also aware that much of the information provided will be subject to confirmation, and is likely to be identified on a project-by-project basis. At this stage, we are merely seeking an indication as to what resources the LAG thinks it may be able to draw on.

¹ This is against defrayed eligible expenditure

Proposed use of RDPE measures.

Please provide an **estimate** at table 2.3 of anticipated spend against RDPE measures. For more detail on the measures please refer to Annex 1. One NorthEast recognises that LEADER is a bottom up rural development approach and fully accepts that at this stage this will be an estimate, but the information will be useful for budget profiling.

Management and governance arrangements:

Please provide a narrative that explains the management and governance arrangements, particularly in relation to the roles and responsibilities of LAGs and lead bodies.

Section 1: Identifying high level objectives and strategic priorities that LAGs plan to address through the LEADER Approach.

Table 1.1: Summary of the Local Development Strategy

Northumberland Upwards, the Local Development Strategy for the Northumberland Uplands, aims to facilitate the promotion of innovative thinking and the application of new solutions. The Strategy believes in using joined-up decision making to benefit the economy, community and environment to reach those who are often left out in our most rural areas.

Northumberland Upwards will build on opportunities and address key rural issues. Activity and resources will be focussed on five key objectives:

1. Micro-enterprise development;
2. Increasing the use of bioenergy from wood;
3. Creating the conditions for sustainable communities;
4. Supporting sustainable farming and forestry; and
5. Promoting tourism and recreation which builds on the area's natural and cultural assets.

Our principal target is to further progress on promoting sustainable growth by addressing all four of its elements, namely economic performance, community development, environmental enhancement and equality.

The preferred approach will be to pump-prime initiatives that work towards sustainable socio-economic development. To achieve this, often complementary match funding from public and private sector sources will be required beyond those on offer from New Leader.

Northumberland Upwards was built on a "bottom-up" approach which ensured a wide degree of consensus on the key issues and on the priorities to address these issues. The Northumberland Uplands Local Action Group is formed from local community actors and local business people. This independent Action Group will ensure the Local Development Strategy addresses those matters which affect local people the most.

The Northumberland Uplands Local Action Group will be supported by many public and voluntary sector bodies who will aim to work in a joined-up manner to ensure successful results and also the sharing of worthwhile learning lessons.

Table 1.2: High level objectives and strategic priorities to be addressed by the LEADER Approach.

High level objective one: Support Micro-Enterprise Development

Key Outcome Measure – Increase in the number of new micro-business start-ups (source “Business Needs Survey”, Northumberland National Park Authority, Annual Monitoring Review 2006, 2009, 2012)

Strategic priorities (SP) to be addressed under objective one:

- SP 1 Extend the participation of young people in business
- SP 2 Stimulate entrepreneurial activity
- SP 3 Encourage businesses to maximise the advantages of the cultural and natural environmental qualities of the area
- SP 4 Improve access to training and supporting services

Examples of projects/ initiatives

- Expand the successful ID8 project to the whole of the Northumberland Uplands and Scottish Borders areas to introduce young people to enterprise activity
- Create an Enterprise Learning Network with all the high schools to specifically provide students with knowledge and experience of rural businesses in the Northumberland Uplands
- Initiatives which create business opportunities from recycled or waste material

Alignment

The provision of business support will be aligned with regional providers, in particular Business Link. Funding will be targeted at micro-businesses as beneficiaries. Other larger businesses will be sign-posted to other regional funds such as the wider Rural Development Programme England.

High level objective two: Support the development of the wood bioenergy market

Key Outcome Measure – Awareness of Biomass Opportunities (source “Business Needs Survey and Household Survey” Northumberland National Park Authority, Annual Monitoring Review 2009, 2012)

Strategic priorities (SP) to be addressed under objective two:

- SP 1 Grow the supply side of the biomass market in a sustainable manner
- SP 2 Develop demand for biomass through clusters and networks
- SP 3 Address severe issues of fuel poverty
- SP 4 Raise awareness of the advantages of wood biomass throughout businesses and households

Examples of projects/ initiatives

- Develop the number and skills of supply chain intermediaries e.g. training boiler fitters and heating engineers
- Assist demand development through a network of local area based clusters

of activity with support for biomass boilers and community heating schemes

- Support the active promotion of wood biomass to the rural communities in the Northumberland Uplands

Alignment

Leader funds will be used to support small scale developments and stimulate demand and supply side solutions which complement existing regional and national initiatives.

High level objective three: Assist Communities to become more Sustainable

Key Outcome Measure – Reduction in number of economically active without qualifications (source “National Census” 2001 and 2011)

Strategic priorities (SP) to be addressed under objective three:

SP 1 Support capacity building and knowledge sharing

SP 2 Improve access to services especially for life long-learning

SP 3 Promote greater appreciation and celebration of the area’s natural and cultural environment

Examples of projects/ initiatives

- Support the progress of community / development trusts to address economic issues such as promoting local businesses; knowledge and experience; and job opportunities
- Assist the Northumberland College Training Bus to access deep rural areas across the Northumberland Uplands to help people develop life long learning skills
- Provide mobile crèche facilities to help people gain access to training, development and work opportunities
- Support the expansion of local cultural events

Alignment

The provision of Leader support will be additional to existing support mechanisms and will build on the provision expected of public bodies.

High level objective four: Support Sustainable Farming and Forestry

Change in Numbers Employed in Farming and Forestry (source “Evidence Base for Leader in Northumberland Uplands Area” Centre for Rural Economy, 2007, 2011, 2014)

Strategic priorities (SP) to be addressed under objective four:

SP 1 Support skills development and intermediate labour market initiatives

SP 2 Add value to local products

SP 3 Assist diversification

SP 4 Enhance and protect the natural and cultural assets

SP 5 (see also High Level Objective 4, SP1) Encourage young people to enter

farming and forestry business sectors

Examples of projects/ initiatives

- Support apprentice training to address skills gaps and labour market shortages in traditional activities such as maintenance of buildings of local importance, ancient woodlands and historic landscape features
- Work with Business in the Community and local farmers to develop new high value markets for local produce

Alignment

The provision of Leader funds will avoid overlap with existing EU agricultural and environmental funds as Leader will look to complement these initiatives. Regional and sub-regional initiatives will, where necessary, be built upon at the local level.

High level objective five: Develop Tourism and Recreation based on the area's cultural and natural assets

Key Outcome Measure – Trend Change in Income of Tourism Businesses (source "Tourism Business Survey" Northumberland National Park Authority, 2008, 2011, 2014)

Strategic priorities (SP) to be addressed under objective five:

- SP 1 Raise tourism businesses net income
- SP 2 Support initiatives to promote local distinctiveness
- SP 3 Assist tourism businesses to realise the potential of natural and cultural assets
- SP 4 Develop business networks and cluster development
- Sp 5 Generate improved access to recreational opportunities

Examples of projects/ initiatives

- Support the development of thematic tourism and recreation business networks
- Enable the development of heritage and nature based trails across the Northumberland Uplands jointly with the Coast and Lowlands and Scottish Borders

Alignment

Leader funds will be used for local solutions which augment regional and sub-regional initiatives and also fill gaps at the local level in terms of the supply and demand for recreation and tourism services.

Section 2: Delivery of the New LEADER Approach:

Table 2.1 – key milestones, outputs and performance indicators:

Key Milestones	08/09 Q2	08/09 Q3	08/09 Q4	09/10 Q1	09/10 Q2	09/10 Q3	09/10 Q4	10/11 Q1-4	
First LAG meeting	X								
Approval of key LAG Governance Structures roles and responsibilities	X								
Allocate key LAG roles and responsibilities	X								
LAG Staffing Resources Needs Identified	X								
Set project decision making process	X								
Recruitment & appointment of LAG Co-ordinating Officer with admin	X	X							
Approval of LEADER Delivery Plan		X							
First Expression of Interest Sought	X								
Lead Partner appointed	X								
First round of LEADER proposals approved		X							
Launch Website and Communication plan		X							
Draft Three-Year Capacity Budget	X								
Shared Learning Activities			X		X		X		
Key performance indicators and outputs	08/09 Q2	08/09 Q3	08/09 Q4	09/10 Q1	09/10 Q2	09/10 Q3	09/10 Q4	10/11 Q1-4	Total
Micro-Businesses supported	0	0	4	6	7	6	7	20	50
New Micro-business start-ups	0	0	1	1	2	3	3	10	20
Businesses using bio-energy	0	0	1	1	3	3	3	9	20
Number of new jobs created	0	0	0	1	3	3	8	15	30
Number of existing jobs safeguarded	0	0	5	7	8	7	8	35	70
£ Match funding leverage.	0	0	114,600	165,600	165,600	165,600	165,600	710,800	1,487,800
Skills days delivered.	0	0	0	500	500	500	500	1,000	3,000
Community and business networks supported	0	0	1	2	3	4	5	10	25
Young People Benefitting from Advice & Training	0	0	5	5	20	20	20	100	170

Input Measures	08/09 Q2	08/09 Q3	08/09 Q4	09/10 Q1	09/10 Q2	09/10 Q3	09/10 Q4	10/11 Q1-4	Total
RDPE expenditure approved (£).	0	0	86,667	116,667	116,667	116,667	116,667	496,665	1,050,000
RDPE expenditure defrayed (£).	0	0	86,667	116,667	116,667	116,667	116,667	496,665	1,050,000
Table 2.2 – Financial information									
Elements of LEADER expenditure against high level objectives:	08/09 Q2 (£)	08/09 Q3 (£)	08/09 Q4 (£)	09/10 Q1 (£)	09/10 Q2 (£)	09/10 Q3 (£)	09/10 Q4 (£)	10/11 Q1-4 (£)	Total
Micro-Enterprise Development	0	0	13,474	19,473	19,474	19,473	19,473	83,633	175,000
Bioenergy	0	0	13,474	19,473	19,473	19,474	19,473	83,633	175,000
Sustainable Communities	0	0	13,473	19,474	19,473	19,474	19,473	83,633	175,000
Sustainable Farming & Forestry	0	0	13,473	19,474	19,473	19,473	19,474	83,633	175,000
Tourism & Recreation	0	0	13,473	19,473	19,474	19,473	19,474	83,633	175,000
Overall elements LEADER expenditure against high level objectives	0	0	67,367	97,367	97,367	97,367	97,367	418,165	875,000
LEADER capacity / resources expenditure not to exceed 20% £69,750 p/a	08/09 Q2 (£)	08/09 Q3 (£)	08/09 Q4 (£)	09/10 Q1 (£)	09/10 Q2 (£)	09/10 Q3 (£)	09/10 Q4 (£)	10/11 Q1-4 (£)	Total
LAG Co-ordinator	0	0	9,800	9,800	9,800	9,800	9,800	40,100	89,100
Admin & Communication Support	0	0	2,100	2,100	2,100	2,100	2,100	8,300	18,800
Local Action Group	0	0	3,500	3,500	3,500	3,500	3,500	14,400	31,900
Learning and Communication	0	0	1,400	1,400	1,400	1,400	1,400	5,700	12,700
Overall Eligible expenditure on LEADER capacity	0	0	16,800	16,800	16,800	16,800	16,800	68,500	152,500
NSP: Programme Management [2]			2,500	2,500	2,500	2,500	2,500	10,000	22,500
Overall LEADER expenditure	0	0	86,667	116,667	116,667	116,667	116,667	496,665	1,050,000

² One NorthEast expects that LEADER partnerships will include a reasonable administration fee for SRPs. One NorthEast and NSP have calculated the annual contribution to be £10,000pa

Pro Bono	08/09 Q2	08/09 Q3	08/09 Q4	09/10 Q1	09/10 Q2	09/10 Q3	09/10 Q4	10/11 Q1-4	Total
NNPA: Office accommodation, executive support, managerial support, telecoms, stationery and supplies, web hosting, financial, personnel, health and safety advice, ICT consultancy, induction, insurance			4,100	4,100	4,100	4,100	4,100	16,300	36,800
Overall Pro Bono			4,100	4,100	4,100	4,100	4,100	16,300	36,800
	08/09 Q2	08/09 Q3	08/09 Q4	09/10 Q1	09/10 Q2	09/10 Q3	09/10 Q4	10/11 Q1-4	Total
Overall LEADER expenditure	0	0	90,767	120,767	120,767	120,767	120,767	512,965	1,086,800
4 - LEADER funding sources	08/09 Q2 (£)	08/09 Q3 (£)	08/09 Q4 (£)	09/10 Q1 (£)	09/10 Q2 (£)	09/10 Q3 (£)	09/10 Q4 (£)	10/11 Q1-4 (£)	Total
RDPE funding	0	0	86,667	116,667	116,667	116,667	116,667	496,665	1,050,000
Private sector funding	0	0	13,500	19,500	19,500	19,500	19,500	83,600	175,100
Other Public sector funding	0	0	101,100	146,100	146,100	146,100	146,100	627,200	1,312,700
Other In-Kind (pro bono)	0	0	4,100	4,100	4,100	4,100	4,100	16,300	36,800
Overall LEADER funding	0	0	205,367	286,367	286,367	286,367	286,367	1,223,765	2,574,600

Table 2.3: Best guess of expenditure used against RDPE measures.

RDPE Measure, please see Annex 1 for measure description	08/09 Q3 (£)	08/09 Q4 (£)	09/10 Q1 (£)	09/10 Q2 (£)	09/10 Q3 (£)	09/10 Q4 (£)	10/11 Q1-4 (£)	Total
111 Vocational training & knowledge transfer		7,410	10,710	10,710	10,710	10,710	45,998	96,248
114 Advice and guidance		3,369	4,868	4,869	4,868	4,868	20,908	43,750
121 Farm modernisation		2,695	3,895	3,895	3,895	3,895	16,727	35,002
122 Increasing the economic value of forests		6,063	8,763	8,763	8,763	8,763	37,635	78,750
123 Adding value to agriculture and forestry products		6,063	8,763	8,763	8,763	8,763	37,635	78,750
124 Co-operating to develop new products, processes & technologies		3,368	4,869	4,868	4,868	4,869	20,908	43,750
125 Improving agricultural and forestry infrastructure		6,063	8,763	8,763	8,763	8,763	37,635	78,750
311 Farm diversification into non agricultural		2,695	3,895	3,895	3,895	3,895	16,727	35,002
312 Business creation and development		6,737	9,737	9,737	9,737	9,737	41,817	87,502
313 Tourism		13,473	19,473	19,474	19,473	19,474	83,633	175,000
321 Basic services		5,389	7,790	7,789	7,790	7,789	33,453	70,000
331 Training & support to facilitate economic activity		4,042	5,841	5,841	5,842	5,841	25,089	52,496

Table 2.4 LEADER governance and management arrangements

a) LAG roles and responsibilities: provide a brief outline of decision-making arrangements; how projects are to be developed and supported and the management arrangements in the lead body in connection with LEADER activity.

The Northumberland Uplands Local Action Group (NULAG) aims to build truly embedded means of delivering bottom-up rural development. This means:

1. NULAG is constituted to be controlled by local business people and local community animators with a minority of public sector representatives. NULAG takes all decisions on project funding and the direction in which Leader funds are used. NULAG is responsible for the effective delivery of the agreed Local Development Strategy and for joined-up strategic working across regional boundaries e.g. with Scotland and Cumbria.
2. Defined roles have been agreed and documented for the Local Action Group. These roles include for a Chair; Vice-Chair; Sector Leads e.g. agriculture; and geographical leads based around the emerging community forums e.g. Coquetdale. All 22 members of NULAG have both a general role as a Local Action Group member as well as a specific set of additional duties and responsibilities.
3. NULAG agrees all policy and the strategic direction of the Northumberland Uplands.
4. The Northumberland Uplands covers nearly 1,000miles² of remote countryside. This means that old systems of decision making via centralised meetings are not practical. NULAG will utilise the benefits of new technology to overcome geographical barriers. All Expressions of Interest will be electronic and supported by clear advice on the website www.nuleader.eu
5. This enables the Local Action Group Co-ordinator to e-mail Expressions of Interest to the NULAG sector and geographical leads and also to relevant partners to help develop, direct and add value to these outline expressions of interest.
6. It is expected that most expressions of interest will not be developed as Leader projects. Some will need developing alongside other initiatives to offer better value for money. Whilst many Expressions of Interest will be directed to other delivery programmes and organisations. This is a sign of success as it will create an outcome of stimulate enterprise and activity and produce a more local first stop shop service in the deep rural areas.
7. Project development from Expression of Interest to an actual Leader project application will be facilitated by the Local Action Group Co-ordinator. Specialist advice and support will be provided by the existing on-the-ground community and business support partners such as local authority community and economic development staff, training providers such as Northumberland College, sector specialists such as Forestry Commission. The use of the existing partners' staff is key to embedding the Leader way of working in these permanent organisations' delivery arms.

Note – the costs incurred by partners in supporting and developing Leader projects will be borne by the public sector lead partners.

8. NULAG will also look to work with sub-regional partners to develop third sector support structures such as the emerging network of development trusts to create truly local community based support and advice.
9. Once a Leader project proposal has been developed, the completed application is checked by both Northumberland Strategic Partnership and ONE NorthEast to ensure that the detailed application is consistent with EU and national Rural

Development Programme rules and regulations.

10. The Local Action Group Co-ordinator brings together the specialist advice on project applications from the public sector lead partners (7 above) and NULAG sector and geographical leads (5 above), once the ONE and NSP have checked the compliance rules and regulations (9 above), to produce a project appraisals on which NULAG make funding decisions.
11. NULAG issue project approval and rejection letters to the applicant with copies to the partner(s) responsible for assisting in the project delivery including those providing match funding and other resources. A copy letter for successfully approved projects is sent to NSP who will then issue a Leader grant offer letter and claim forms.
12. Claims are made to Defra (Rural Payments Agency) via ONE NorthEast via Northumberland Strategic Partnership for the drawn down of programme funds. NSP's draw down of programme funds is made up from project applicants claims made by the project applicant being assisted and therefore via the Local Action Group Co-ordinator. The lead partner will make quarterly claims for all other eligible expenditure incurred by NULAG.

b) Summary of lead body and / or delivery body roles and responsibilities:

NULAG has asked Northumberland National Park Authority to act as the lead partner. The lead partner roles include:

- a. Employing the Local Action Group Co-ordinator;
- b. Employing dedicated administrative support;
- c. Providing executive director support to NULAG for governance and strategic support;
- d. Facilitating the set-up of NULAG and development of draft strategies, delivery plans and financial planning.
- e. Appointing, remunerating and supporting the development of NULAG members;
- f. Establishing an effective communicating plan including the provision of modern communication technologies to support NULAG including dedicated website and secure intranet;
- g. Securing logistically effective office accommodation and meeting facilities;
- h. Establishing a robust and productive support mechanism of local delivery partners throughout the period of the Leader programme – including the transition process around local government review; and
- i. Establishing a spatial performance management system and information system framework (including project documentation) which meets legislative requirements (e.g. Data Protection Act), partner information needs and informs NULAG as to progress and the resulting learning lessons.

Note – only the direct costs associated with "a" and "b" above will be reclaimed. The other costs, items "c" through to "i", will be borne by the lead partner.

Legally the lead partner is responsible for all staffing matters; governance issues e.g. complaints and appeals; compliance with data protection and freedom of information.

Delivery Partners are responsible for:

1. Supporting the development of expression of interest ideas into good Leader project applications or to help direct these enquiries in other directions;
2. Providing specialist input into the assessment of Leader project applications;
3. Assisting the delivery of approved Leader projects;
4. Establishing strategic links and networks between projects and project ideas; and
5. Taking an active part in the sharing of knowledge and reviewing the learning lessons from Leader activities in the Northumberland Uplands.

Annex 1: The Measures

The first number of each measure denotes the axis it refers to. Leader activity should generally be aligned with the measures selected for North East England. However, there is some scope for flexibility, but any activity not specifically tied to measures must still deliver broadly against the priorities identified for the RDPE in the region. The following table gives a brief overview of the measures being targeted in the region and some example activities.

Code	Measure	Rationale	Target Beneficiaries	Example activities
111	Vocational training & knowledge transfer	Workforce development to improve competitiveness & productivity	Agriculture, food & forestry sectors	Courses; seminars; interactive courses; demonstration projects.
114	Advice and guidance	Improving processes, standards, best practice	Forestry businesses	Advice on quality standards and sustainable forest management practices.
121	Farm modernisation	Improving productivity	Farmers	Purchase or lease of new machinery & equipment; costs linked to patent rights & licences
122	Increasing the economic value of forests	Creating new market opportunities, diversifying production	Private forestry businesses	Investment in harvesting equipment
123	Adding value to agriculture and forestry products	Improving processing & marketing, introducing new technologies, creating new market opportunities	SMEs & micro-enterprises	Processing & marketing new or existing products or processes; purchasing new equipment
124	Co-operating to develop new products, processes & technologies	Enhance competitiveness and create new market opportunities	Producer groups, processors,	Collaboration on design, product development and testing
125	Improving agricultural and forestry infrastructure	Enhancing competitiveness	Not specified	Energy supply
311	Farm diversification into non agricultural	Encourage growth, employment and maintain or increase farm	Farm households	Service, craft & trade activities

	activities	income		
312	Business creation and development	Creating employment	Micro-enterprises, entrepreneurs	Micro-enterprise business development; start-up support
313	Tourism	Creating employment	Rural individuals, businesses and communities	Small scale infrastructure; tourism marketing; access infrastructure
321	Basic services	Improve conditions for business & rural life; halting economic & social decline	Rural businesses and communities	Childcare; leisure, sport & cultural activities; transport services, community internet facilities.
331	Training & support to facilitate economic activity	To facilitate the other measures	Economic actors in rural areas (but not Leader – this is covered by measure 431)	ICT training; start-up coaching; traditional rural skills; management training to aid farm diversification

Annex 2: Measures and Allowable Intervention Rates

The following table gives some basic guidance on aid rates applicable for each measure. However, it must be stated that in some cases, the rules can get quite complex and it is not possible to set out in simple terms; in these cases LAGs are advised are advised to seek further advice from the Agency.

Code	Measure	Maximum Intervention Rate
111	Vocational training & knowledge transfer	Limit of 70% for activities that support commercial outcomes. However, for the food sector , the coverage is drawn from the Block Exemption for Training (regulation 68/2201) so seek further advice as different aid rates may be applicable.
114	Advice and guidance	Defra has restricted this measure to forest holders. Aid can be from 50 – 80% of the advice up to a maximum of 1500 Euros <i>per advisory service accessed</i> .
121	Farm modernisation	Up to 40% of costs (50% in LFAs). There is no upper limit on the amount of grant that can be paid under this measure.
122	Increasing the economic value of forests	Up to 50% of costs (60% in LFAs). Again, no limit on the level of assistance that can be given.
123	Adding value to agriculture and forestry products	This is somewhat more complex and is dependant on whether the beneficiary is an agricultural or forestry business. Aid rates may vary, so seek advice.
124	Co-operating to develop new products, processes & technologies	Aid rates depend on whether the beneficiary is a small, medium or large enterprise
125	Improving agricultural and forestry infrastructure	Agriculture: up to 40% (50% in LFAs). However, aid rates may vary according to levels of commercial return. Forestry: De Minimus rules apply so up to 200,000 Euros in any three year rolling period.
311	Farm diversification into non agricultural activities	Up to 50%. De Minimus rules apply (see measure 125). Limited to farmers or member of farming family.
312	Business creation and development (micro-enterprise)	Up to 50%, depending on rate of commercial return. De Minimus rules apply as above.
313	Tourism	Up to 100% permitted, but should

		be dependant on rate of commercial return. De Minimus rules apply as above. Some interventions may fall outside State Aid criteria, e.g. footpath improvements in coastal areas.
321	Basic services for rural population / economy	As above, up to 100%. Again, some activity may fall outside State Aid criteria.
331	Training & support to facilitate economic activity	Aid rates will depend on whether the training is general or specific, and will also depend on the location of the beneficiary. Seek advice.

More detailed guidance can be found in Chapter 5 of the Programme Document here: <http://www.defra.gov.uk/rural/rdpe/progdoc.htm>

Annex 3: State Aid

Defra has recently published its guidance on State Aid in relation to Axis 1, 3 and 4 (Leader). It can be accessed here:

<http://www.defra.gov.uk/rural/rdpe/pdf/stateaidguid.pdf>

The issue of State Aid is far too detailed to go into here; however, a good rule of thumb when considering State Aid issues is to assess the following:

1. Is aid granted by the State or through State resources?
2. Does the aid favour certain undertakings or the production of certain goods?
3. Would the aid distort or threaten to distort competition?
4. Would the aid affect trade between member states?

For State Aid to be an issue the answer to all four questions must be yes. However, in the event of at least one answer being 'no', it is advised to visit the State Aid pages of the Department for Business, Enterprise and Regulatory Reform (BERR): <http://www.berr.gov.uk/bbf/state-aid/rules/index.html> for further guidance.

Annex 4: Public Match Funding

For the purposes of RDPE, in checking whether a source of funding is 'public', one or more of the following general principals will usually apply:

- A public body is administering the funds.
- The funds come from the EC, national government, local government (including parish councils) or a non departmental public body (NDPB), such as Regional Development Agencies, Natural England, the Forestry Commission, Big Lottery Fund, and Heritage Lottery Fund, etc. This applies even if the funds are not administered by a public body.
- The funds are raised compulsorily through a tax (e.g. parish council precept), a levy (e.g. livestock levy boards), or raised through a legislative requirement (e.g. Big Lottery Fund, Heritage Lottery Fund).
- The funds come from a body that receives more than 50% of its income from local or national government. This does not include where the income is derived from publicly procured goods or services.

Public funding does not necessarily have to be a grant; it could be through in kind contributions such as staff time, resources, materials or assets from a public sector body.

How can it be used with RDPE?

Public funds cannot be used to match mainstream RDPE funds. *However*, with the Leader approach, it has been agreed that other public sector match funding can substitute some or all of the 'private match funding requirements' subject to overall state aid limits. For example, for activities delivered under a block exemption rate (e.g. 70% general training for SMEs), then the maximum public funding including RDPE and the other public funding would be 70%. Private match funding would need to be found for the remaining 30%.

Any public funding used as match funding in this way must be recorded on the claim form.