

## Local Development Strategy

**Delivering Elements of the Rural Development Programme for England  
(RDPE) 2007-2013 through the LEADER Approach**

***“Raising the Game”  
Enhancing rural productivity and improving quality of life in  
the Peak District through Sustainable Micro-Enterprise  
Development***

**Submitted on behalf of Peak District Rural Action Zone Partners by the  
Derby & Derbyshire Economic Partnership  
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**The European Agricultural Fund for Rural Development:  
Europe investing in rural areas**



## **Introduction**

Delivering the new Rural Development Programme for England (RDPE) through the LEADER method provides the opportunity for a truly integrated approach to rural development and delivery in the Peak District.

Our proposal builds on well over a decade of good practice “across regional boundary” partnership working in the area. In line with the fundamentals of the bottom-up LEADER approach, the proposal adopts an integrated approach to addressing socio-economic and environmental needs and opportunities for both the land-based and wider rural community. In contributing to the delivery of RDPE, the proposal draws on experience and expertise built up through delivery of previous programmes including LEADER+, Objective 2, Single Programme and the lessons learned from the recent Rural Pathfinder initiative.

Demonstrating clear alignment with national, regional and sub-regional priorities and, following considerable consultation with local partners, the proposal aims to address gaps identified in current provision and complement existing activities, ensuring additionality of limited funds administered through an efficient delivery process.

As a cross boundary initiative, the proposal seeks proportional RDPE funding from both *emda* and AWM to deliver the LEADER approach in the rural parts of the Peak District Rural Action Zone. Through a focus on *Supporting sustainable rural micro-enterprise development* and a cross cutting theme of *Growing Greener Enterprise*, the proposal is aimed at “*Raising the Game*” in terms of the contribution made by the rural area to enhancing productivity and supporting social cohesion.

### **1. Details of the Partnership:**

A proposed Local Action Group (LAG) has been identified to take forward LEADER. Membership of the LAG will comply with LEADER guidance and comprise representation from across the Peak District including many contributing through the consultation process to the development of the Local Development Strategy (LDS). The role of the LAG will be crucial in securing the engagement of the Peak District community and in connecting business and community networks across the area.

It is proposed that the LAG will comprise a maximum of 15 representatives made up of public, voluntary and private sector representatives. The LAG meets the required 50% representation from non-public sectors. It is proposed that the LAG will be constituted as follows:

#### **Public Sector (7)**

DDEP; X1 Derbyshire Local Authority representative (rotational every two years); X1 Staffordshire Local Authority representative (rotational every two years); Peak District National Park Authority; University of Derby College Buxton; Natural England and x1 Parish and Town Councils representative (rotational every two years between Derbyshire and Staffordshire).

#### **Private / Voluntary and Community Sectors (8)**

Peak Partners for Rural Action representative (VCS) (rotational every two years between Derbyshire and Staffordshire); The Farming Life Centre (Charity); Peak District Sustainable Energy Group representative (rotational every two years / Sustainable Youlgrave (local community group) to sit on LAG initially); Arts in the Peak representative (artist led membership organisation promoting the arts and rural creative industries); Peak District Farm Holiday Group representative (Tourism micro-business); NFU representative (Peak District farmer); East Midlands Business Ltd. (membership to rotate every two years with West Midlands Business Link) and the Princes' Trust.

All LAG partners have confirmed their support for the submission and participation on the LAG should it be successful (see inside front cover for signatures). Private and Voluntary Sector partners have been

primarily drawn from local business and community networks to enable representation of the main sectors and groups targeted. The roles of LAG members and structures for LEADER are set out in *Appendix 3*.

The proposed group brings together cross boundary representation, knowledge of the local area, business acumen, experience of partnership working and dealing with grant regimes (including continuity from LEADER+) and represents economic, social & community and environmental interests. The group will also support wider networking objectives, an important part of the overall approach with LAG members acting as “theme champions” for the sectors and groups identified for LEADER intervention. Whilst this initial group will help get the LEADER approach underway, consideration will be given to drawing in other representatives and refreshing membership over time as initiatives develop or other needs are identified. Time limited Focus groups will also be assembled as required comprising key partners and local experts to help develop LEADER activity.

DDEP will act as the lead / accountable body on behalf of the LAG with co-ordination through the Peak District Rural Action Zone Support Unit and will employ the relevant staff. The Unit will service the new LAG and support the development of projects (see Section 7).

## **2. Population and definition of the proposed LEADER area:**

A coherent geographical area has been identified for LEADER activity. The proposed area covers the rural parts of Western Derbyshire (High Peak and Derbyshire Dales) and North East Staffordshire (Staffordshire Moorlands and East Staffordshire) which make up the Peak District Rural Action Zone (RAZ). A map of the proposed area is included in *Appendix 1* which shows the relationship between the LEADER area, RAZ boundary and National Park Designation.

The RAZ was established in 2003 by DDEP and its local authority partners in recognition of the particular challenges facing the Peak District community. The designation carried forward the previous cross boundary work by the Peak District Rural Development Partnership bringing together legacy commitments under the old RDP, EU Objective 2 funding, LEADER+ and DDEP allocation of Single Programme resources to the area. This funding has been co-ordinated through a single process overseen by the RAZ Steering Group made up of key partners from across the area, reporting to the DDEP Board. The RAZ has been identified as a priority area for investment within the DDEP Sub Regional Investment Plan 2008-2011.

The proposed area has been defined in line with Defra’s Rural / Urban Definition produced in 2004. **The LEADER area will cover all settlements under 10,000 population and defined by Defra as rural** i.e. villages and small Market Towns. Based on 2004 figures (ONS 2004 Mid Year Estimates) the population of the area totals 124,410. Set out below is a list of the wards to be included:

*Derbyshire Dales:* Ashbourne North, Ashbourne South, Bakewell, Bradwell, Brailsford, Calver, Carsington Water, Chatsworth, Clifton and Bradley, Darley Dale, Dovedale and Parwich, Doveridge and Sudbury, Hartington and Taddington, Hathersage and Eyam, Hlland, Lathkill and Bradford, Litton and Longstone, Masson, Norbury, Stanton, Tideswell, Winster and South Darley, Wirksworth;

*High Peak:* Blackbrook, Burbage, Chapel East, Chapel West, Corbar, Dinting, Hayfield, Hope Valley, Limestone Peak, New Mills East, New Mills West, Padfield, St John’s, Sett, Tintwistle, Whaley Bridge;

*Staffordshire Moorlands:* Alton, Churnet, Dane, Hamps Valley, Horton, Ipstones, Manifold

*East Staffordshire:* Weaver

Much of the area falls within the Peak District National Park, which is identified, protected and promoted for its high environmental quality. The remainder of the area includes the smaller market towns bordering the Peak District and their hinterlands which are locally recognised as part of the “wider” Peak District area, providing the gateways to the National Park. Large parts of the area comprise strikingly attractive upland moorland and farmland at the southern end of the Pennine Hills. Marginal hill farming dominates the landscape in these areas with the vast majority in sheep, beef and dairy.

Whilst unemployment in the area is generally low, pockets of deprivation exist, particularly in some of the more industrial areas e.g. New Mills and Whaley Bridge, designated as priority areas in High Peak Borough Council's Regeneration Strategy.

Whilst, due to population restrictions the larger Market Towns of Glossop, Buxton and Matlock in the RAZ are not covered by LEADER, it is important to recognise the linkages between the role of the market towns and wider rural areas. Going forward, local partners have agreed the need to work towards a "single strategy approach" for the RAZ area to avoid fragmentation of delivery. Activity delivered through LEADER in the rural areas will therefore be complemented by initiatives in the larger market towns funded through a combination of Single Programme and principally local authority contributions to ensure a co-ordinated approach. Further details are set out in the next section.

### **3. Proposed Strategy:**

Since the designation of Rural Development Areas in 1994, partners in the Peak District have successfully delivered rural initiatives across the area. Recent key projects include the College of the Peak, New Environmental Economy, Peak District Community Planning/Village Agent project, Women's / Youth Enterprise Units and Buxton Spa Skills training facility. The strategy seeks to build on these successes.

The outline strategy has been developed through the preparation of a detailed evidence base, ongoing consultation process with partners and local stakeholders and consideration of "fit" with existing / planned activity.

#### **3a Baseline Position**

The evidence base highlights significant economic under-performance and disadvantage in the area. It also highlights particular characteristics within the employment structure which have been taken into account in shaping the proposal. A summary of the key issues is set out below with further detail on the evidence base in Section 5:

- High Peak is one of the five "lagging" rural districts identified by Defra in the East Midlands with Staffordshire Moorlands and Derbyshire Dales also demonstrating similar issues related to rural productivity;
- Very small businesses are a key characteristic of the RAZ (86% of businesses in both High Peak and Derbyshire Dales and 87% in Staffordshire Moorlands) with a higher absolute number of micro businesses in retailing; hotel and catering; professional services such as legal services; farming and forestry and construction;
- There has been a shift from full time to part time labour in the agricultural sector (and in the case of Staffordshire Moorlands an absolute decline in employment) emphasising the need for diversification options;
- Access to services is one of the IMD domains and the one where most parts of the RAZ are within the worst 20% of Super Output Areas in England (this domain includes access to housing and Derbyshire Dales and High Peak are the two least affordable districts in Derbyshire);
- There are high levels of self employment and working from home. However the low workplace based earnings level suggests that the income derived from self employment is not high. As farmers could be a significant part of the self employed sector and are increasingly facing part time income status from agriculture, this reinforces concerns around low earnings;
- There is a lack of vocational provision to develop skills in key sectors with communities needing to travel outside of the area to receive training;
- High Peak and Derbyshire Dales have significant numbers of people who live and work locally. This has benefits e.g. reduced travelling to work; but also presents problems when taken with the low earnings levels and seasonality of employment and supports the need for higher value local business growth;

- Despite this there is out commuting, where people out commuting are those with the higher level skills and higher earnings (and mostly living in the rural hamlets). Building up the workplace based earnings is therefore important and has knock on effects e.g. ability to afford housing;
- Services are in decline with local shops particularly suffering from supermarket competition. The issue will be further exacerbated by the inevitable loss of some Post Offices because of the imminent national closure programme.

### **3b Consultation to date**

The RAZ Support Unit has held consultation events with a wide range of partners across the RAZ area to develop the strategy followed up by more detailed discussions with key partners either on an individual or group basis to develop the approach. A range of issues were identified including:

- Needs and opportunities for small business development – commonly recognised as an issue;
- The important role of Market Towns as service centres and employment hubs, supporting the need for a co-ordinated approach across both the urban and more isolated rural parts of the RAZ;
- Unifying cross border factors; the National Park designation, a driver for tourism with a string of popular dales straddling the regional boundary; the similarity of rural issues; and the changing role of farming towards environmental custodian of the countryside whilst also needing to maintain a viable business; which support the need for continued co-operation across regional boundaries;
- Young people as a priority group for business development activity – partly to redress issues of an ageing population and to keep more young people in the area;
- Access to and lack of rural services and, from a community perspective, a desire to make better and more joint use of community facilities, which can often require an equal amount of business acumen as running a small business;
- To build on existing networks and activities built up in the area over several years and recognised good practice.

The consultation process is described in more detail in Section 4. Issues raised from the consultations, alongside consideration of existing activity, available research and alignment with local strategies, including local authority and Community Strategies has also helped shape thinking on the development of the proposed activities set out in Section 8.

### **3c Learning from LEADER+**

Whilst it is recognised that LEADER will deliver RDPE at the local level rather than operate as a separate programme, experience from the previous LEADER+ programme has also been taken into account. Some of the key messages from our LEADER+ evaluation included:

- The need to continue outreach development work and provide a combination of support, advice and financial assistance for hard to reach groups such as women and young people;
- Flexible and quickly accessible grant funding for community based activities linked to development support;
- Developing a theme based approach to business development (inc. training);
- Considering ways in which residents of market towns serving the area could be involved without shifting the emphasis and priority away from the needs of those living in more isolated rural villages.

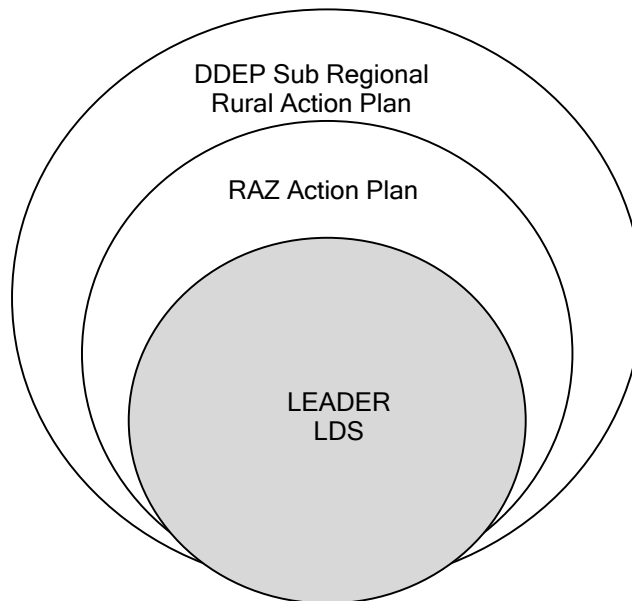
It is clear that RDPE is unlikely to support the range of activity that has taken place through LEADER+. The wider Action Plan for the RAZ therefore considers how a more comprehensive package of support can be provided to micro-enterprises in the area, with LEADER focusing on particular opportunities for providing grant assistance to support business and community projects and the RAZ Action Plan supporting this with other elements such as business support.

### **3d Rural Action Planning and Enhancing Rural Delivery Structures**

DDEP, with its partners is in the process of finalising Rural Action Plans for the Peak District RAZ and wider Sub-Region. The intention has always been to set the LEADER strategy within this overall context to

show that it is not an arbitrary set of activities but a contribution to a wider and coherent programme of rural activity. As set out in *Figure 1*, a suite of documents has been produced that “nest” within each other to provide a hierarchy of activity which complements and supports the delivery of DDEP’s Sub Regional Investment Plan, the East Midlands Rural Action Plan and ultimately the Regional Economic Strategy with, in the case of the RAZ, clear linkages to Staffordshire / West Midlands priorities. The plans are currently being finalised following a period of consultation with local partners.

**Figure 1**



Three core strands of activity have been identified within the Sub Regional Rural Action Plan:

- **Productive Rural Economy** - *To encourage the restructuring and economic competitiveness of the rural economy by capitalising on opportunities to create a high income high skills economy;*
- **Productive Market Towns** - *To develop thriving, vibrant market towns and rural centres with strong connections with the wider rural economy;*
- **Sustainable Rural Economy** - *To encourage the sustainable development of the rural economy and address issues of demographic imbalance, access to services, economic viability of rural services and access to employment and training. Links with initiatives to tackle affordable housing issues will also be made.*

The plan also identifies three areas of opportunity for rural development including: developing a *Productive Peak*, *Productive Derwent Valley Mills World Heritage Site (WHS)* and *Productive National Forest*. The plans for the RAZ and LEADER have been developed within the context of the Productive Peak theme.

Alongside the production of new Rural Action Plans, DDEP has taken the opportunity to develop its partnership structures for delivering rural activity. In summary, a Rural Sub Group of the DDEP Board (to become the DDEP Rural Affairs Forum) will be established to champion rural issues and guide the strategic direction of the Rural Action Plans. To support the work of this group it is also proposed to develop existing RAZ groups into a wider Rural Working Group addressing sub regional issues. The structures are currently being finalised with partners. The proposed structure and relationship with the LAG is set out in *Appendix 3*.

The LEADER approach is therefore a subset of a larger rural programme of work aimed at delivering an integrated programme with RDPE funding through the LEADER approach, linking with other funding available e.g. Single Programme. With this in mind the LEADER LDS has been shaped within the context of other activity, in particular *emda's* Business Transformation Grant, providing grants of up to £10k to existing SMEs to make a “transformational change” and overcome barriers to growth; and DDEP's pilot Enterprise Development Fund for the sub-region, providing a range of grants including ICT solutions to help develop the knowledge economy and stimulate e-commerce activity, Business Innovation and Workforce Development. Both schemes are being administered by East Midlands Business (EMB) Ltd. with referrals coming via the IDB process. Discussion with EMB has therefore been a part of the preparation of the LEADER approach.

### **3e Strategy for LEADER - Summary**

The Strategy for LEADER has been developed within the context of National RDPE Programme priorities for LEADER and both East and West Midlands Regional Implementation Plans (RIPs). Whilst emphasis is placed on addressing East Midlands criteria, the strategy aims to deliver measures assigned to the LEADER method in both regions **through a single, integrated cross boundary approach**. Section 8 sets out how the strategy intends to deliver the identified RDPE measures, initial activities proposed, funding allocations assigned to measures and contributions required from the regions to bring the strategy together.

The LDS has the core aim of:

***“Enhancing rural productivity and improving quality of life in the Peak District through Sustainable Micro-Enterprise Development”***

Six strategic objectives:

- 1. Assisting the Land Based sector to improve economic viability through added-value initiatives and diversification into non agricultural activities***
- 2. Enabling new Micro-Enterprise activity and helping existing Micro-Enterprises to flourish***
- 3. Sustainable Tourism Development***
- 4. Rural Heritage***
- 5. Rural Skills development***
- 6. Improving Access to key Rural Services***

Two organisational objectives:

- A. To integrate the LEADER approach with wider organisational structures to achieve efficiencies in administration and organisation and work towards integration with other rural programmes in the area (building on Rural Pathfinder objectives)**
- B. To learn from partners at inter-regional and trans-national level to support innovation across all strategic objectives**

And; one unifying cross cutting theme:

***“Growing Greener Enterprise”***

### **3f Strategy for LEADER - Detail**

**Strategic Objective 1: *Assisting the Land-Based sector to improve economic viability through added-value initiatives and diversification into non agricultural activities*** - Upland farming in the area has suffered long term decline in profitability. Noted research such as the *Hard Times Report* produced by the *Peak District Rural Deprivation Forum, 2004* graphically illustrates the severe problems experienced by the hill farmers in the Peak District, for example citing that between 1992 and 2002 farm incomes in the Peak District National Park fell by some 75%.

The future viability of farm businesses, affected by the review of CAP, reducing Single Farm Payments coupled with the limited availability of higher paying environmental schemes for upland areas and continuing shift from full to part time income status remains very uncertain. This situation was further exacerbated by the outbreaks of FMD in Surrey and Blue Tongue Disease in Suffolk in Autumn 2007, resulting in autumn livestock sales being postponed leaving farmers without income to make rent payments and buy new breeding stock. The outbreaks are still creating problems for Peak District farmers. Recent EC changes to the eligibility rules for Environmental Stewardship will also have knock on effects, particularly for farmers involved in the Entry Level Scheme. There are also concerns regarding the future of payments under the Hill Farming Allowance scheme and over plans for the designation of Nitrate Vulnerable Zones which will incur higher costs for livestock farmers.

If farmers cannot afford to farm the land, many of the characteristics that make the Peak District special could be lost. The key issue is therefore to ensure the right balance is achieved between developing sympathetic diversification opportunities to provide alternative income streams and improving the competitiveness of land-based business to help the sector survive. Whilst often a real challenge, a greater focus on collaboration is also needed both within the industry and with other sectors. Particular opportunities exist in the Food & Drink and Tourism sectors, building on existing initiatives in the area such as the New Environmental Economy scheme and its themed initiatives around adding value to food products and developing marketing opportunities for them. **The LEADER strategy** will therefore provide grant support to develop new individual and collaborative ventures to diversify and strengthen the farm business. This will be a particular focus in the early years of the LDS. The make-up of the LAG (Section 2) will ensure the LDS and resulting projects address the key issues affecting the land based sector.

Linkages will be developed with Brown & Co, recently appointed by *emda* to deliver IDB services to land-based businesses under the Business Link brand. In terms of supporting the delivery of other RDPE Axes, linkages will also be developed with the Peak District Land Management Advisory Service (PDLMAS) to include information and advice on the grants available through LEADER and RDAs directly in relation to RDPE Axis 1 (see Section 7).

**Strategic Objective 2. *Enabling new micro-enterprise activity and helping existing micro-enterprises to flourish*** - The area contains a high proportion of micro-businesses which provide the backbone of the rural economy. In the proposed LEADER area, there are some 6,220 micro-businesses (a figure which is likely to under represent the actual number due to the way data is collected). The vast majority are very small with 0-4 employees. The rural area also contains a relatively small but growing number of community / social enterprises, again with the majority having very few employees. There is real potential here to build on the enterprising nature of communities in the Peak District using LEADER to support both new initiatives and help develop and grow existing operations. **The strategy for LEADER** will therefore be to provide support for the very small micros e.g. sole traders, the self employed and the growing number of home based businesses in the area and for new business ventures, targeting where possible harder to reach groups, particularly young people but also women entrepreneurs. Community businesses, as micro enterprises, are integral to this objective and can fulfil an important role as a route to the provision of key rural services. Drawing on the experience of existing projects, the strong VCS support infrastructure in place in the area and linking with regional interventions developed by SEEM, the **LEADER LDS** will also aim to increase the number of community and social enterprises in the area delivering services to rural communities.



Whilst a range of projects will be considered from a range of sectors, **the LDS will focus support on enterprises which involve the development and/or promotion of local products and services.** Within the assessment process, emphasis will also be placed on assisting those most in need and can demonstrate clear economic benefits. As part of the grant criteria it is also proposed to encourage a more environmentally conscious approach to business development activity. This will draw on the learning from existing successful models in the Peak District and further details are set out in Section 8.

To ensure the best use of LEADER funds and remove any potential for duplication, EMB Ltd. have been invited onto the LAG. Local business advisors will promote LEADER opportunities to businesses through the IDB process where appropriate and will provide support to prospective applicants (see Section 7). In addition, proposals are anticipated direct to the LAG in which case views from Business Link and other key partners including the Prince's Trust and CVS's with regard to community enterprise proposals will be sought as part of the assessment process.

**Strategic Objective 3: Sustainable Tourism Development** - Tourism is a key driver of the Peak District economy. The East Midlands Tourism Strategy recognises the Peak District as one of the strongest "iconic destination brands" in the region worth an estimated £75m p.a. to the local economy. However, the industry is characterised by low paid, seasonal jobs and there is a need to drive up the quality of the local product and overall visitor experience to make the area more competitive with other destinations such as the Lake District. The Peak District & Derbyshire Destination Management Partnership's (DMP) main marketing focus is on increasing the number of and maximising the spend from staying visitors. Short break, out of season and specific niche markets are being actively targeted to support this aim.

The DMP has recently produced a Tourism Investment Framework identifying key "Growth Strands" for developing the visitor economy and discussion has taken place with the DMP to establish areas of intervention appropriate for LEADER. It is recognised that LEADER can only make a modest contribution in some areas and that in terms of major capital investments e.g. the need for more high quality hotel accommodation and conference facilities in the area to support business tourism, activity should be concentrated in the larger Market Towns that serve the rural area. However, LEADER can make a difference by assisting with product development (for marketing by the DMP) and there is significant scope to work with both businesses and communities in this area.

**The LEADER LDS** will therefore focus support on measures to stimulate cluster development activity amongst tourism businesses both within rural areas and the smaller market towns and with other key sectors to add value and disperse visitors to linked products in surrounding areas. Linkages will also be made with community groups developing local tourism initiatives within the LEADER area to increase local added value. In addition, **LEADER funding** will also be used to explore the potential of underdeveloped niche markets. To ensure impact, priority will be given to the following key themes which support those identified by the DMP:

- *Local Heritage* - including spa heritage making links with wider activities in Buxton (Buxton Crescent & Thermal Spa and Spa Skills Training facility) and Matlock Bath;
- *Distinctive Local Foods* – linking food and tourism, building on existing initiatives working with local producer networks;
- *Recreation and Adventure* – developing the range of outdoor activity products in the area.

In line with the cross cutting theme proposed for LEADER, the LDS also proposes to build on the work of existing initiatives such as the Peak District Environmental Quality Mark to encourage a more environmentally responsible approach to tourism development and help co-ordinate a programme of product development activity and training (see Strategic Objective 6) to create a "green" marketing edge for businesses in the LEADER area.

**Strategic Objective 4: Rural Heritage** - The area has a host of “first class” heritage sites both large and small including within the smaller market towns, the National Park itself and northern end of the Derwent Valley Mills World Heritage Site. **The LEADER LDS** will link this strand of activity with the Sustainable Tourism proposals to achieve the most impact focusing particularly on initiatives building on the area’s cultural heritage and identity. There is a clear role for local communities here to bring forward initiatives identified in village / parish plans to support sustainable tourism activity. In supporting such initiatives, the LDS approach will be to try to make the linkages between local projects and more strategic interventions to encourage sustainable tourism development.

**Strategic Objective 5: Rural Skills Development** - Skills development is a key driver for raising productivity levels and underpins each strategic objective. In line with the Regional Economic Strategy’s emphasis on higher level skills, emphasis will be given to raising skill levels but also addressing specific skills gaps within the rural economy. **The LEADER LDS** for training will include (in line with the final RDPE Programme document, all training will be delivered under Measure 331):

- Tailored training for rural micro-enterprises (only funded where other support is not available) delivered in accessible venues and at appropriate times for rural micro-enterprises to participate;
- Business management skills, with a specific intention to deliver a common programme bringing together businesses and community groups e.g. to support the management of community facilities;
- Targeted training at farming families who want to make the farm businesses more competitive through developing added value initiatives and diversification opportunities with a particular focus on enhancing collaborative activity. This will draw on research completed by ADAS in January 07 looking into land-based training needs in the region, with the aim of linking into / adding value to any regional provision and building on previous initiatives in the area;
- Training to support food and tourism initiatives including training to stimulate local procurement initiatives;
- Environmentally related training e.g. sustainable construction techniques and greening your business.

Links will be made with existing initiatives such as Train to Gain operating in the area and existing projects being funded by DDEP such as College of the Peak.

**Strategic Objective 6: Improving Access to key Rural Services** - Rural Services are the lifeblood of rural communities. Not only do they provide essential services for people without private transport but they also provide a useful social function and meeting place helping to reduce social isolation. Despite their value, many services are in decline with local shops particularly at risk from supermarket competition. The issue will be further exacerbated by the loss of a significant number of Post Offices in rural areas as a result of the national closure programme. So far, in the Derbyshire Dales part of the LEADER area, 6 Post Office closures have been confirmed with closures in High Peak and Staffordshire Moorlands due to be announced later in 2008. Following a review of Rural Service Provision completed by Evolve Consultants in July 2007, DDEP has allocated funds to support an Intervention and Support programme to offer help to communities threatened with the loss of village shops, comprising a mix of retail advice and capital grant support. **The LEADER LDS will** build on this work by exploring other options to support rural retailers.

Community facilities such as village halls, pubs and churches also have an important role in providing other services and opportunities for rural communities such as childcare and eldercare provision. Local training provision has also been identified as a key issue in many Parish / Village plans. There is also a need to consider accessibility issues to enable communities to access key services. **The LDS will** therefore also encourage initiatives which enable new services to be provided in rural communities which fill gaps in current provision.

**Cross Cutting Theme: - “Growing Greener Enterprise”** - A unifying theme running through the LDS is to pro-actively promote a sustainable approach to rural enterprise development by prioritising proposals which make use of new **environmental technologies and/or renewable energy solutions** and integrate sound

environmental management and resource efficiency principles. This theme will be applied across each Strategic Objective / RDPE Measure delivered to ensure sustainable economic development and growth.

The Peak District Sustainable Development Fund, recently extended for a further three year period has proved very successful in the National Park supporting mainly community based projects such as a ground heat source pump in a local community building, New Mills Hydro project, Ilam Carbon Neutral project and a small wind turbine at Tideswell. **The LEADER LDS will** build on this work and that of the Staffordshire Business & Environment Network by enhancing the level of support to micro-enterprises in the area bringing forward environmentally friendly solutions in a bid to engender a “greener” and more sustainable approach to enterprise development.

**Organisational Objective A: Efficient and Effective administrative and organisational structures** - This is detailed in Section 7.

**Organisational Objective B: Inter-regional and trans-national co-operation to support strategic objectives** – The LDS intends to develop co-operation activity to complement local work under Strategic Objective 1: *Assisting the Land-Based sector to improve economic viability through added-value initiatives and diversification into non agricultural activities* and Strategic Objective 3: *Sustainable Tourism Development*. The LDS aims to build on links established through the LEADER+ programme including with LAGs in Ireland and north of England and on links developed between the Peak District National Park Authority with Scandinavian countries through previous INTERREG funded projects. Details are set out in Section 10.

As indicated earlier it is important not to view LEADER in isolation but as **part of a wider package** of rural activity. The wider Action Plan for the RAZ will bring together a co-ordinated programme of activity for the area with particular emphasis through Single Programme funds on addressing **Market Town issues**, linking with LEADER activity in the rural areas. Whilst LEADER has a focus on addressing particular rural circumstances, to ensure the area as a whole is able to benefit from the wider grant programmes available, it is also proposed to promote DDEP’s Enterprise Development Fund (to be merged with *emda’s* BTG in April 08) to the Derbyshire districts in the RAZ to provide a complementary package of support.

### **3g Integrating Sustainable Development Principles**

Integrating sustainable development principles into our LEADER activities will be addressed at two levels. The first is the overall context in which the LEADER approach is taking place. The LEADER Local Development Strategy is set in the wider context of the Sub Regional Rural Action Plan for the DDEP area and the Peak Rural Action Zone Rural Action Plan, as described earlier. Issues of sustainability are core to the Rural Action Plans, which aim to pick up on economic sustainability fitting into wider sustainable development agendas set out in Community Strategies locally and linking back to the East Midlands Regional Rural Action Plan, the Regional Economic Strategies and the Regional Implementation Plans for RDPE. Productive Peak Economy, the purpose of the Peak RAZ Rural Action Plan, identifies the environment as a key economic driver and LEADER activities are intended to support further development in sustainable economic activity in the rural areas, building on successes already achieved and taking forward opportunities such as sustainable energy and environmental technologies (with potential for agricultural diversification around both development and delivery of sustainable energy options). Important aspects of the proposed LEADER approach, fitting into wider Productive Peak sustainable economic activity and sustainable development approach are:

- The focus on micro enterprises, the core of rural business activity in the Peak District and essential to maintaining sustainable communities;
- The focus on agricultural diversification support where agriculture is both an important part of the Peak District economy but also has vital importance in its environmental stewardship of the National Park and surrounding area;
- The opportunity to integrate community enterprise activity into the LEADER approach, again supporting a wider sustainable communities agenda;

- Targeting harder to reach groups where possible such as young people and the self employed to maintain diverse and sustainable rural communities;
- Supporting improved environmental management in business activity contributing to climate change issues as well as business resource efficiency;
- The development of the LAG as a means of facilitating business networking and building social cohesion within the RAZ area through a self help and collaborative approach.

The LEADER LDS includes a unifying cross cutting theme to target activity which contributes to greener and more sustainable business practices and introduces greener technologies to business and community life. This is part of the sustainable development approach.

The **second level** is the inclusion of equal opportunities and environmental sustainability considerations at the individual project level to ensure that projects are aware of and maximise their contribution to sustainable development. It is an integral part of the RDPE regulations that such considerations are taken on board and the LAG will confirm its policies in these areas at its first meeting. If successful, the LAG will work with *emda* to ensure application and appraisal processes for grant assistance include questions to ensure equalities, environmental and socio economic considerations have been taken into account. It will also be an important role for the LEADER Officer in working with LAG members, potential applicants for LEADER funding and others, to ensure that activity generated through the LEADER approach fits into the wider aspirations for sustainable economic activity.

#### **4. Ensuring an inclusive approach:**

The following partners have been consulted during the process of preparing the submission:

<b>Organisations attending consultation events or consulted individually</b>		
ADAS Arts in the Peak AWM Bakewell and Eyam Community Transport Association Connexions Derbyshire Derbyshire and Nottingham Chamber of Commerce Derbyshire County Council Derbyshire Dales CVS Derbyshire Dales DC Derbyshire Learning & Skills Council DRCC	Peak District & Derbyshire DMP EMB Ltd. East Staffordshire Borough Council High Peak and Dales PCT Derbyshire Dales & High Peak LSP High Peak BC High Peak CVS Mitre Group NFU Natural England	Peak District NPA Peak District Farm Holiday Group Princes Trust Staffordshire County Council Staffordshire Moorlands CVS Staffordshire Moorlands DC Sustainable Youlgrave Farming Life Centre University of Derby + small focus groups with business and community representatives

The following consultation process has been undertaken with partners and key stakeholders:

- May 2007 - Consultation event with LEADER+ partners to receive the evaluation of the previous programme and to consider how key messages can be taken forward through LEADER under the new RDPE programme;
- June 2007 – Consultation event with wider RAZ partners to begin discussions on developing the LEADER approach within the Peak District and to identify potential priority areas for support;
- August 2007 - Small focus group sessions with businesses and community groups and review of common issues emerging from local village / parish plans produced in the target area;
- August 2007 – Sample survey of visitors to Bakewell Show on future priorities for area;
- August / September 2007 - more detailed discussions with key rural partners either on an individual or group basis to develop the approach;
- September 2007 – Initial consultation with the Derbyshire Dales and High Peak LSP Board;
- September 2007 – RAZ Steering Group endorsement of LEADER Expression of Interest;

- November 2007 - Partner event to develop proposals for LDS and consider procedural issues;
- December 2007 – Further consultation on proposals with LSP Board;
- December 2007 – Draft submission circulated for partner comment;
- January 2008 - RAZ Steering Group endorsement of final submission on behalf of DDEP Board.

Whilst a significant level of consultation has taken place to date, it is crucial that this continues throughout the process of delivering LEADER to ensure a bottom up approach to project development and that the LDS remains focused on the key issues affecting the LEADER community. If the submission is successful, as indicated in Section 2, Focus groups will be formed in the new year for each Strategic Objective involving key stakeholders and partners and other local experts to progress activities to implementation.

## **5. Fit with Regional Priorities:**

### **5a The evidence base and economic under performance**

Section 3 has summarised key needs of the area. It identifies the rural productivity issues around income and employment, the focus on rural business needs and the wider contribution of businesses to support sustainable rural communities. Further evidence to support this includes:

- The very high proportion of micro businesses in the proposed LEADER area of which key sectors are farming and forestry (21%), services (e.g. legal) 14.2%, retailing 8.6%, construction 7.9% and hotel and catering 7.2%. The figures, which are drawn from 2003 data on the Inter Departmental Business Register and sourced from the Defra Rural Evidence Hub, are likely to under represent actual numbers of micro businesses as they exclude non VAT registered self employed people;
- A high proportion of self employed in rural areas, higher than in the urban areas and above the regional average; and with a particularly high self employed component in rural hamlets and dispersed rural areas e.g. 21% in rural Derbyshire Dales rising to 26.3% in its rural hamlets);
- Higher than regional average employment in agriculture in the rural areas of Derbyshire Dales (5.1%), much higher than rural<sup>1</sup> High Peak at 2.5%. Agricultural employment rises significantly in rural hamlets – 9.8% in Derbyshire Dales and 5% in High Peak; but is even higher in Staffordshire Moorlands at 11% and East Staffordshire at 12.6%. However, there has been a decline in VAT registered businesses in the agricultural sector 1998 – 2005; by 9% in High Peak, 4% in Derbyshire Dales and 11% in Staffordshire Moorlands;
- Derbyshire Dales and High Peak have above average levels of employment in mining & quarrying;
- High Peak has above regional average employment in manufacturing at 21.8%, with little variation on this between its urban or rural areas. Staffordshire Moorlands has a similarly higher manufacturing employment level (particularly in its rural towns at 27%<sup>2</sup>). However this is not shared by Derbyshire Dales where manufacturing employment is 3.3% below regional average at 16.9%;
- Both Derbyshire Dales and Staffordshire Moorlands rural areas have above regional average employment in hotel and catering at 6.5% and 5% respectively (and 4.6% in the East Midlands) although this is lower in rural High Peak at 4.2%;
- Employment growth has been low - a particular issue for High Peak where it has been static in the face of a population rise (albeit relatively small). Equally however, population projections are not large. Providing more local employment opportunities is therefore important;
- High house price to income ratios which, in 2006, were 8.2:1 in High Peak, 7.8:1 in Derbyshire Dales and 7.2:1 in Staffordshire Moorlands;
- A need to provide more locally based training opportunities. For example 73% of High Peak and Derbyshire Dales residents travel out of Derbyshire to access construction training;
- Out commuting, taking spending power out of the area and impacting on the sustainability of wider rural services. Derbyshire Dales, High Peak and Staffordshire Moorlands all share a common issue about the differential between resident and workplace based earnings levels, highlighting a ‘two

<sup>1</sup> These are Defra definitions which define settlements over 10,000 population as urban and subdivide the rural category into rural towns, rural villages and rural hamlets/dispersed rural.

<sup>2</sup> Note: information given for Staffordshire Moorlands is for the whole district, not just the RAZ component

speed' economy issue i.e. higher paid professionals travelling outside of the area with local jobs characterised by low pay;

- A high level of visitor importance where the Peak District National Park receives some 22 million day visits p.a. and has a catchment of over 20 million people within an hours drive;
- DDEP commissioned research into the needs in rural Derbyshire, focusing primarily on the retail sector i.e. village shops and Post Offices which has revealed a 23% decline in the number of shops in the last three years and a worrying future picture for the sector.

The evidence serves to emphasise the need for developing the economic base in order to address issues of economic under performance.

### **5b Link to Regional and Sub Regional Strategies and Programmes**

The LEADER approach and LDS is set within the context of the Sub Regional Rural Action Plan and the Rural Action Zone Action Plan, as previously described. In turn the preparation of the Rural Action Plans has taken place in the context of national, regional and local policy frameworks.

**Nationally** the LDS will support Natural England Strategic Directions particularly in relation to enjoyment of the natural environment through elements of sustainable tourism activity; and sustainable use of the environment through links between food production, environment and consumers. It is also important to note that the wider RAZ and DDEP Sub Regional plans take the opportunities for linking land management, environment and other economic activities further. It is therefore expected that the LDS will make a contribution to achieving Natural England Strategic Directions and will link with land management activity. Although forestry is not a specific target activity in the LDS given the upland character of the area, there are opportunities for woodland management to contribute to the 'Trees and Economy' priority of the Regional Forestry Framework, linked into added value (e.g. businesses based on the use of wood), sustainable energy (e.g. wood fuels) and links with tourism products (e.g. circular walks).

From the **East Midlands** perspective, key regional priorities beyond the RDPE RIP relate to the East Midlands Regional Rural Action Plan and the East Midlands Regional Economic Strategy. The prompt for the DDEP Sub Regional Rural Action Plan has been the Regional Rural Action Plan and its encouragement to sub regional partnerships to act to implement its strategic objectives. The DDEP Sub Regional Action Plan and in turn the RAZ Plan and LDS focus on the economic component of Regional RAP priorities and how these could be progressed whilst also contributing to community and environmental strategic objectives. Of particular relevance are East Midlands Regional RAP strategic objectives for land based industries around local distinctiveness, environmental economy and supply chain activity which are core to the LDS. The wider context of the RAZ and Sub Regional RAPs seeks to integrate business support, mentoring and networking activity (also regional RAP priorities in the land based sector) with the LDS fitting into this wider work. Other key themes and sub regional action reflected in the LDS and drawn from the Regional RAP relate to 'Improving enterprise, innovation and employment', where LDS activities around micro-businesses, community and social enterprise and training will make a contribution; 'Climate Change' where the focus on environmental technologies and environmental resource management in the LDS contributes benefits; 'Green Infrastructure' which in the LDS is supported by green tourism related activities and environmental management skills development; and improving accessibility of jobs and services where the LDS can support community enterprise as a route to provision of rural services. Other aspects of the LDS will contribute to achievement of Regional RAP objectives, particularly the focus on added value to increase income levels, helping to reduce the house price to income ratio and make rural housing more affordable.

The East Midlands Regional RAP sits within the context of the East Midlands Regional Economic Strategy and Integrated Regional Strategy. The LDS will make its contribution to the Regional Economic Strategy through its strategic themes in a number of ways:

- Contributing to raising productivity through supporting micro-enterprise creation and survival, growing key sectors (food and drink, and construction (through sustainable construction routes)), stimulating skills demand and developing efficient use of resources by businesses;
- Contributing to ensuring sustainability through promoting sustainable use of resources including energy resources, and focusing on sustainable economic growth as a key underpinning principle running through the LDS, RAZ and DDEP Sub Regional Plans;
- Contributing to achieving equality through development of new markets and enterprise opportunities and working with harder to reach groups in this process.

A further relevant strategy is 'Think Food and Farming', the regional Food and Farming Delivery Plan whose priorities around food chains (particularly moving farms up the food chain through added value and diversification), sustainable agriculture (especially diversification activity) and environment (specifically rural energy creation/conservation) are all ones which the LDS will contribute towards.

Whilst ensuring clear demarcation of programmes, the LDS and local activities it delivers will also complement the new regional ERDF 2007-2013 Competitiveness Programme, particularly Priority Axis 1: To create a high value added economy by supporting innovation and sustainable business practice.

In the **West Midlands**, the new Regional Economic Strategy (2007) – "Connecting to Success" has now been published. The Strategy sets out strategic objectives under the headings of 'Business', 'Place' and 'People' all of which the LDS will contribute to for example investing in business processes and enterprise and capitalising on sustainability and low carbon opportunities under 'Business'; maximising cultural offer and natural assets and developing sustainable communities under 'Place'; and skills for employment and enterprise under 'People'.

Although there is no West Midlands equivalent of the East Midlands Regional Rural Action Plan, Rural Renaissance – AWM's Rural Framework (2005) and subsequent action plans provide further West Midlands context for the LDS. Through its overarching aim of enhancing rural productivity through micro-enterprise development the LDS will contribute to Pillar 3 of the Framework, particularly actions to develop the environmental economy and enhance social infrastructure and Pillar 4, in terms of targeting identified local need and building capacity in rural communities.

The LDS also supports the objectives of the Peak District National Park Management Plan 2006-11, particularly the objectives for the Economy, by raising productivity and promoting a sustainable economy; People and Communities, by improving access to services; Recreation and Tourism, by developing a wider range of tourism products based on the special qualities of the Park and driving up the quality of the offer; Cultural Heritage, by supporting and co-ordinating local heritage initiatives and supporting initiatives to address Climate Change as its cross-cutting theme.

Whilst the preparation of the LDS, RAZ and DDEP Sub Regional RAPs have also taken on board a range of local initiatives and strategies, three areas of **local initiatives** are important to identify here:

- Community Strategies, linking back into Local Area Agreements at County level. District Community Strategies provide an important context reiterating a number of the issues already highlighted, notably a high priority around affordable housing and issues of access to services whilst also recognising a need to increase new business start up and business survival rates. Development of the LDS has taken the Community Strategy context into account as this is an important driver. It links to the opportunities for participation in Local Strategic Partnerships and delivery of county Local Area Agreements, where the LDS will form part of a wider thrust to integrate the Peak Rural Action Zone activities with LSP and LAA activity in the longer term;
- The Peak District Rural Pathfinder has been an important influence on the development of the LDS and the wider RAZ Action Plan particularly around consideration of issues such as ensuring efficient administrative processes and greater alignment of agency strategies whilst also (in its evaluation)

touching on the opportunities for better integration of the LAA processes cross border. The use of the LEADER approach for grant schemes and enterprise development in the LDS is being carefully developed in order to try and create an integrated package of business development and support opportunities and a more joined up approach for the customer. If LEADER is successful there is scope to further develop this integrated approach with other future rural programmes building on the lessons learned from the Pathfinder promoting simplified routes to services and funding.

- The Peak Dales and Moorlands LEADER+ Programme put in place the beginnings of business development in targeted sectors and with important harder to reach groups in rural communities, the value of which is recognised by partners and important to build into forward strategies. Although it is recognised that the proposed LEADER approach is differently structured, there is opportunity to develop and expand on the good practice from the programme which is appropriate to the LEADER approach. This opportunity is built into the LDS.

### **5c Integration with other funding streams**

Proposals for aligning parts of the administration process for LEADER with those of existing funding streams and proposed alignment of partnership structures are set out in Section 7 and Appendix 3. Whilst the need for clear demarcation between European funds and associated processes creates challenges for integrating LEADER, the opportunity to integrate processes with other funding programmes in the future will be kept under review by the LAG should the LEADER submission be successful. In addition, taking forward Pathfinder work, the potential to adopt a common Expression of Interest for the area for use by enterprise related grant schemes will continue to be pursued.

## **6. Axis and Sector Integration:**

Integration with RDPE axes of activity and alignment with other initiatives will be achieved through both the LAG and the LDS.

### **6a The Local Development Strategy**

The LDS is part of a wider RAZ rural economic development approach with the LEADER approach an important contributor to the RAZ Action Plan. The RAZ Action Plan will provide a wider strategic context for DDEP expenditure from *emda's* Single Programme funding. It also aligns with other public sector spending activity including the East Midlands European Social Fund Framework for 2007 – 2013 and the East Midlands ERDF Competitiveness Programme for the same period, showing where complementary project activity can be developed to deliver the RAZ Action Plan's proposed activities.

### **6b The Local Action Group**

The LAG is a key means of ensuring that the strategic integration and context defined in the RAZ Action Plan and the LDS happens in practice. There are three important aspects behind the LAG organisation and structure which are intended to achieve integration:

- The LAG will have cross sector representation, drawing in local community and private sector representation from agricultural networks, from other business sector networks and from local supply chains. This is important to foster local business networking with the land based sector being one sector with significant supply chain and added value opportunities that could arise. The land management sector also has an important environmental land stewardship role. The membership of the LAG will enable linkages with initiatives such as PDLMAS, the newly created coordination of land management advisers who will be in contact with a number of farmers and land managers. This provides an ideal opportunity to link environmental stewardship (and Axis 2 RDPE activities) with wider diversification and rural business development work;
- The LAG is being initially proposed as a grouping with private sector representation drawn from existing business networks as a means of encouraging greater local inter trading and supply chain activity to support a stronger local business economy – a networking of networks. It also has a vital role to feed into wider RAZ Action Plan activity for business networking and mentoring. Experience to date with the New Environmental Economy project, Women's Enterprise project and others has shown the strength and



economic benefit that can arise from business networks. The LAG can be a powerful vehicle for developing business networking;

- Longer term, the LAG could potentially have a wider role in managing other grant scheme activity in the RAZ. This would enable even better integration to be achieved especially if a single (or at least common) application and appraisal processes can be put in place.

## **7. Financial and Administrative Structures and Capacity:**

### **7a Managing partner & track record**

It is proposed that DDEP, through the RAZ Support Unit (based in Bakewell) will manage and co-ordinate the delivery of LEADER alongside other funding allocations available to the RAZ including Single Programme funds (£750,000 p.a.). DDEP has considerable experience of managing funding (circa £8m p.a. Single Programme) to the satisfaction of *emda*. As the lead body for LEADER+, DDEP via the RAZ Unit has had responsibility for managing the day to day running of the programme on behalf of the LAG, servicing LAG meetings, updating the annual business plan and preparing LAG claims, all to the satisfaction of GOEM. The Unit has also overseen the allocation of Objective 2 funds for the Peak District through the latter part of the 2000-2006 programme. Total external regeneration funds co-ordinated by the Unit have averaged circa £1.5m p.a. over the last three years.

The RAZ Unit has several years combined experience of all the required functions associated with delivering LEADER including project development (Single Programme, Objective 2 and LEADER+), project scoring (Objective 2 and LEADER+), project appraisal (old RDP Programme and *emda* Single Programme prior to handover of functions to *emda*'s Shared Resource Centre), project approval (Single Programme and delegated grant schemes e.g. Redundant Building Grant with decisions taken through RAZ Steering Group and ratified by DDEP Board), project monitoring (Single Programme and LEADER+) and dealing with project claims and payments (Single Programme and LEADER+ with financial services from Derbyshire County Council). The roles and input of staff are set out in detail in Section 7c.

### **7b Governance Arrangements and Operation of the LAG**

The LAG will be a self governing cross boundary group and therefore responsible for all decision making regarding LEADER activity. As indicated earlier, DDEP has been reviewing its wider structures for delivering rural activity and consulting with partners on proposed arrangements for 2008 onwards. Final arrangements have now been agreed by the DDEP Board confirming the wider delivery structures identified in Appendix 3 of the submission. The LAG will have responsibility for providing direction to and managing LEADER funding and activity, developing the annual LEADER business plan, which, to ensure accountability for DDEP as the lead body will be endorsed by the Rural Sub Group of the DDEP Board (**to become the Rural Forum**), and directing the work of the LEADER Officer. Details of LAG members and the structural linkages proposed between the LAG, DDEP and other partnerships e.g. LSPs are identified in *Appendix 3* which also sets out the proposed Terms of Reference of the LAG (to be agreed at its first meeting).

The make up of the LAG takes account of RDPE/LEADER requirements for (non-public) representation from businesses and the local community, the need for accountability for DDEP as the lead body and to enable the LAG to develop its future role as a "networking of networks" where theme champions provide a pro-active, two-way link with wider business and community networks.

To enable private sector / community input, LAG meetings will take place at times to suit the majority of members. As with current arrangements, the venues will be in accessible locations and rotate between Derbyshire Dales, High Peak and Staffordshire Moorlands districts. In addition, travel expenses and childcare costs will be available to business and community participants to remove barriers to participation. These have been built into Measure 431 costs.

Once established, the LAG will meet quarterly. A minimum of one third of LAG members must be present with at least 50% non-public representation to achieve quorum. Conflict of Interest procedures will also be agreed at the first meeting requiring partners to declare a personal or prejudicial interest in any projects or matters being discussed at the start of the meeting and for these individuals to leave the room when the matter is discussed. All LAG meetings will be minuted and any conflicts of interest recorded.

Drawing on best practice from other rural programmes, an induction process will be put in place for LAG members (and offered to other supporting partners) to develop the skills required to perform their roles on the group. This will cover RDPE programme requirements and provide an overview of project assessment. In addition, an open event will be held with prospective applicants targeting the sectors and groups identified in the LDS prior to LEADER getting underway. This will not only promote the opportunities through RDPE and the LEADER approach but will also cover the basic requirements for successful applications and identify the support infrastructure available in the area. Once projects get underway, networking events and a annual tour of projects are proposed (as previously run through the RAZ) to help make connections between projects and to further develop the knowledge and understanding of the LAG. Members of the LAG will also be encouraged to participate in project monitoring visits with the LEADER Officer.

Linkages will be developed with the proposed DDEP Rural Implementation Group to ensure co-ordination of activity through the LEADER approach with other rural funding streams. Linkages will also be established with the Derbyshire Dales and High Peak LSP and Staffordshire Moorlands (Moorlands Together) LSP to ensure alignment of activity and to connect local strategy development and forward planning (see *Appendix 3*).

### **7c Arrangements for managing and administering RDPE funds through LEADER**

DDEP proposes a combination of LEADER (RDPE) funded, “in-house” and partner support to achieve clear separation of roles and a cost effective approach. The details are set out below:

#### **7c i) Staffing and Other Resources**

It is proposed to allocate funds totalling circa £45,000 p.a. from the LEADER allocation to support management and administration costs equating to 14% of the proposed LEADER budget. This will support the costs of a LEADER Officer (30hrs) per week (including on costs and salary increments), and includes provision for publicity, travel, printing and stationary, venue hire, training and LAG expenses. Sufficient provision (min £1,000) has also been included to support networking with other LAGs in the region which will provide an important forum for sharing experience and knowledge.

The post will be line managed by DDEP as a contribution to delivering LEADER. As set out in later sections, alongside other partners DDEP will also draw on the Company’s core team to provide support to other elements of the process including project appraisal and monitoring. This will help achieve cost efficiencies within delivery. With regard to office space and overheads, the Peak District National Park Authority have agreed to continue to provide in-kind serviced office accommodation for the RAZ Support Unit, an approach which proved an efficient use of resources in the past. Derbyshire County Council (DCC) will also continue to provide financial services to DDEP / RAZ Unit. DCC’s role is set out in more detail under Section 7c iv). The estimated value of these in kind contributions is attached to *Appendix 2*.

#### **7c ii) Project Development and Facilitation**

Local project development and facilitation will be key to making LEADER a success. Without support on the ground, take-up of grants will be limited to those with the time and means to complete applications, rather than those most in need of assistance. Alongside current referral mechanisms and the business support infrastructure established in the area, the Princes’ Trust will be continuing their outreach work with young people in the Peak District which will help to facilitate LEADER activity. In addition, the following

separately funded interventions are to be put in place which should enhance levels of support on the ground in the crucial early stages of LEADER:

- DDEP has allocated £90,000 p.a. from RAZ Single Programme funds over the next two years to provide additional pre-start and start-up business support with a focus on outreach activity and the harder to reach groups identified;
- Making use of existing mobile resources available in the area from the Princes' Trust and other partnership resources, it is proposed to establish an outreach facilitation service with a focus initially on the land based sector to provide technical support and advice to help develop project ideas into detailed submissions, not only for LEADER but across wider RDPE programme measures and potentially other rural grants programmes e.g. Redundant Building Grant. The project will link well and provide an extension to the existing Peak District Land Management Advisory Service and be developed to align with Business Link assistance, particularly through the work of land agents Brown & Co who, will be delivering IDB services to land-based businesses under the Business Link brand, with a particular focus on "lagging" areas including the High Peak and Derbyshire Dales. Legacy Rural Pathfinder funds (Defra) have been allocated to DDEP to cover the costs of this work.

The impact of these initiatives will be reviewed after the first year of operation. These initiatives will enhance access to the target beneficiaries and raise awareness of LEADER. Section 8 details the proposed activities and target outputs with planned business activities to December 09 in Section 11. Following the LEADER launch and targeted work on the ground with prospective applicants, an initial round of Eols / project applications will be held in early summer to enable delivery to commence.

#### **7c iii) Project Appraisal and Approval**

To support the work of the LAG and LEADER Officer it is proposed to establish two smaller sub groups to undertake (and ensure separation) of project assessment and approval functions. These are as follows:

- a. Project Appraisal Team* – a "pool" of trained project appraisers (min 5) will be established drawn from supporting partner organisations to undertake the scoring and appraisal of projects. Initially, it is proposed that DDEP (primarily via other members of the RAZ Support Unit), Local Authorities, EMB Ltd. and CVSSs will provide support to undertake this role. This initial group comprises several partners with experience of assessing projects. However, as indicated it is proposed to include appraisal training as part of the induction process and further discussion will take place with emda over the coming weeks regarding the process and requirements under RDPE to ensure all appraisers are adequately equipped to undertake the role. As requested a register will be kept of agreed project appraisers and the projects they have appraised to ensure there is no conflict of interest (as indicated below the LEADER Officer will oversee the allocation of appraisals as appropriate). This will be made available to emda. Over time the intention is to develop capacity amongst business and community representatives on the LAG to support this process.

It is proposed to produce a simple Expression of Interest form to facilitate initial project ideas (which will be agreed with emda). At this stage it is proposed to score projects against agreed eligibility / selection criteria based on the LDS and RDPE programme guidance to ensure projects of sufficient quality are progressed. However, as this is not a requirement of the East Midlands RDPE programme, this process will be reviewed by the LAG during the first year of operation, particularly with regard to smaller projects where a simple eligibility check may suffice prior to inviting a full application. Subject to the successful LAGs and emda agreeing a shortened application form for smaller projects, the LAG may in the future move towards a single stage application process. Again this will be reviewed by the LAG. The LAG would consider the Eols and recommendations on each project and comments passed onto applicants to assist the full application. Projects scoring below a minimum quality threshold would not be recommended to proceed. The list of Eols encouraged to full

application will be shared with emda to enable any eligibility / State Aid issues to be addressed at an early stage.

Regarding full project appraisals, the LEADER Officer will allocate applications (with his / her comments) to individuals on the group with no development role / interest in the project. A key role for the LEADER Officer will be to ensure proposals are sufficiently developed to enable consideration. Overtime, whilst ensuring clear separation of roles, other members of the LAG will be encouraged to take on appraisal functions as capacity develops.

- b. *Project Approval Panel*– given the target market for LEADER, a relatively high demand for smaller grants is anticipated. It is therefore proposed that:
  - i. For grants of £10,000 or less, a small panel (min 5) drawn from the LAG (retaining the majority non public spilt) would have delegated authority to determine applications;
  - ii. Grants above this level would be considered by the full LAG.

The purpose of the smaller panel is to speed up the decision making process enabling smaller projects to be considered by a nominated panel rather than waiting for the next full LAG meeting. Dates for panel meetings will be agreed in advance to coincide with project calls. In all cases, the Chair of the LAG would sign off project appraisals / decisions. In the event of a conflict of interest, the Vice Chair of the LAG will sign off appraisals. To aid the decision making process, other local “experts” may be invited to comment on proposals at approval panel meetings if necessary. To ensure a record of all decisions taken, a summary report would be prepared for the following LAG meeting. To aid consideration of larger projects (grants above £10,000), presentations will be invited from prospective applicants to enable the LAG to get a full understanding of proposals and clarify any issues identified. Once the applicant has left the room, a decision would be made. To ensure an efficient process, targets would be agreed at the first LAG meeting for scoring, appraisals and final decision. At this stage it is proposed to adopt the same targets as emda use for RDPE i.e. 15 working days for Eols and 30 working days for full applications / appraisals. Again this will be reviewed by the LAG at regular intervals.

The Approval Panel would be appointed annually from LAG representatives and the delegated limit reviewed after the first full year of operation. Likewise, the pool of appraisers would be broadened overtime to reduce the initial burden on some individual partners. All appraisers would undergo training (the majority of the initial pool have undertaken some form of appraisal training previously e.g. Single Programme appraisal training, Objective 2) again as part of the induction process for LEADER.

As agreed, a summary of projects and decisions taken will be forwarded to emda for endorsement prior to offer letters being issued.

To ensure a clear separation of functions, whilst some organisations may be involved at different stages of the process, the same individuals will not be involved in conflicting roles i.e. both project development and appraisal; or both project appraisal and approval.

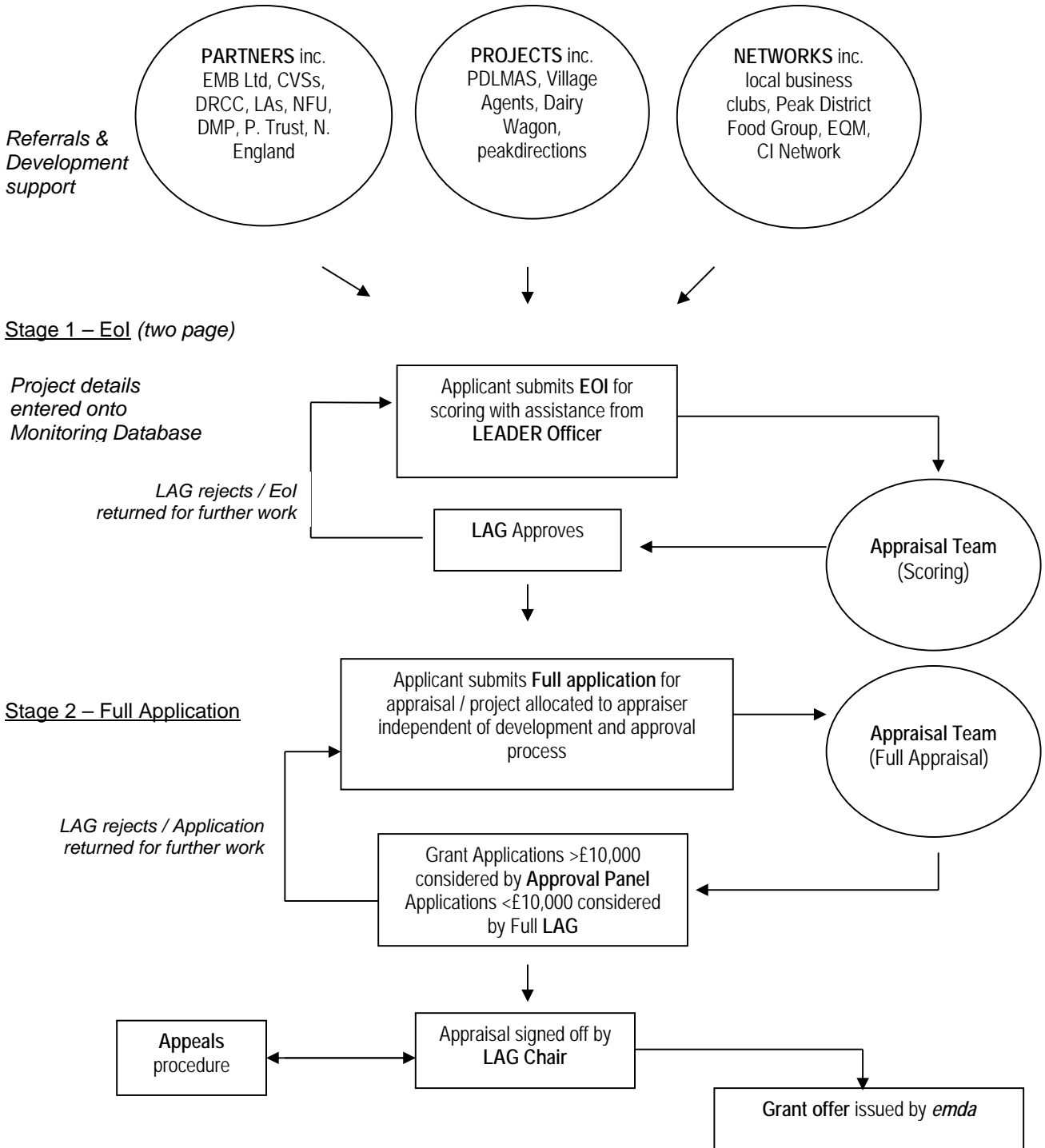
In the longer term, and once appraisers and approvers on the LAG become proficient in the required processes, consideration will be given to introducing remote electronic assessment of projects where appropriate, an approach which has worked well in the past, particularly with private sector representatives.

Following LAG decisions, grant offer letters (setting out any approval conditions) will be issued by DDEP as the accountable body on behalf of the LAG, signed by the CEO. Offer letters will carry the appropriate logos. With regard to applications which are rejected, whilst it is the intention that all unsuccessful applicants will receive full written feedback from the LEADER Officer on the reasons for rejection (and anticipated that most applicants would contact the Officer to discuss ways to improve the application and potential for re-submission), a formal appeals process will also be put in place to deal with any grievances.

A draft appeals procedure note will be prepared for agreement at the first LAG meeting. In summary, this would require the applicant to set out in writing their reasons for appeal. This, together with the reasons for rejection would be considered by a small nominated group (3) from the LAG (independent of the approval panel) and the outcome communicated to the applicant by the LEADER Officer.

*Figure 2* summarises the project development, application, appraisal and approval processes proposed.

**Figure 2**



**7c iv) Project Monitoring**

Whilst the LEADER Officer will have overall responsibility for monitoring functions, day to day monitoring of projects will be absorbed within DDEP’s work programme. A separate database will be established for LEADER projects to record progress against contracted spend and output profiles (the latter based on the template provided by Defra). Each project will be assigned an identifier or reference number which will be

used in all correspondence and entered on the database with basic applicant and project details. Following LAG approval, information on project spend and outputs will be entered on to the system. Claims and monitoring reports will be submitted by LEADER applicants and a report on progress produced for the LEADER Officer. At the same time, DDEP would also supply beneficiary matrix data to the RPA identifying payments to each project. DDEP would be responsible for chasing up claims and monitoring returns if projects fell behind profile and for advising the LEADER Officer on projects encountering difficulties. Help would also be provided in organising project visits, including RDPE Programme monitoring visits from *emda* to ensure compliance with procedures.

#### **7c v) Project Claims, Payments and Authorisation**

As DDEP is not able to cashflow projects, to minimise delays for applicants, monthly (defrayed) expenditure claims will be submitted to *emda*. In order to compile these claims DDEP will check claims provided by applicants for accuracy, completeness and evidence of defrayed expenditure. This role will be carried out by DDEP's monitoring officer (responsible for all Single Programme monitoring functions) who will also be responsible for verifying individual claims received. The monitoring officer would then prepare a single claim for submission to *emda*, itemised by project and a Payment Request Form completed for that month. These claims will be signed off on behalf of the LAG by DDEP's Chief Executive as the chief accounting officer for DDEP and authorised officer on behalf of the DDEP Board. The LEADER Officer will compile the Measure 431 claim towards LAG costs for inclusion in the summary claim to *emda*.

***Each applicant will be registered with the RPA in order to receive grant payments direct.***

As a continuation of current arrangements, DCC has agreed to provide financial services to DDEP in support of LEADER. DCC has considerable experience of providing financial services to support the effective management and administration of external funding programmes, which, with regard to programmes co-ordinated by DDEP, has been to the complete satisfaction of *emda* and GOEM. As with previous programmes, DCC will establish a separate accounting system for LEADER activity with individual cost centres for projects and LAG costs. DCC will process and pay invoices for Measure 431 activity and provide detailed information to support LAG claims to *emda* and keep detailed financial records to comply with Programme monitoring and audit requirements. DCC will also continue to provide HR and payroll services to DDEP including the new staff appointed for LEADER.

***Appendix 3 sets out the LAG membership, draft Terms of Reference and relationship with wider DDEP structures.***

### **8. Fit with the National Programme & Delivering the RDPE Measures:**

Section 3 outlined the strategy for the LDS, justified on the basis of economic needs and opportunities, consultation with partners and stakeholders and set within the context of the wider Rural Action Plans in which the LDS is nested. The LDS area crosses the regional boundary and both the East Midlands and West Midlands RIPs are important in terms of how the LDS delivers RDPE measures. This section summarises the fit of the LDS Strategic Objectives with RIP Measures, the proposed prioritisation and balance of funding and activities to be developed / delivered by the LAG.

The East Midlands and the West Midlands target delivery of the RDPE in different ways. In the East Midlands, the RIP sets out four strands of activity with the LEADER approach being one of these, funded through Axis 3 of the RDPE and focused on five Axis 3 measures, together with the Axis 4 LEADER measures. The West Midlands targets its priorities on economic clusters with LEADER specifically focused on social and community priorities, targeted at four Axis 3 measures, two of which are common with the East Midlands RIP, as well the Axis 4 LEADER measures. As identified, there are common elements in

both RIPs which are appropriate to the LDS area in its cross boundary location. **The LDS is therefore aimed at delivering RDPE measures as interpreted in both RIPs.**

**As set out in the EoI, our aspiration is that funding from both RIPs is pooled in order to deliver the LEADER approach as one integrated set of activities** with a common purpose (described in the Strategic Objectives) and a single administration process. In describing how strategic objectives align with the RDPE measures below, we want to ensure that, ultimately, funding is allocated to support our Strategic Objectives on a collective basis across the whole area proposed for the LEADER approach and not distinguishing between East or West Midlands. However, for the purposes of clarity, the measures to be delivered are set out below as they relate to each RIP.

As indicated, the LDS is about “*Raising the Game*” of the rural economy in terms of its contribution to enhancing productivity and improving quality of life. The following sections set out how LEADER will help achieve this over-arching aim within the context of RDPE Programme measures. However, given the bottom up approach required through LEADER and that much of the activity to be funded will be through grants to micro-businesses, social enterprises and community groups it is difficult to provide full details on all proposals likely to come forward. However, the business activities described have all been developed based on partner / stakeholder input through the consultation process. **The projected grant levels, intervention rates and outputs are also based on experience of previous programmes in the area.**

#### **8a Proposed Activity to Deliver RDPE Measures**

In the **East Midlands** the LDS proposes activities which fall under **all measures** assigned to LEADER:

**Measure 311 / Strategic Objective 1** - The LDS has demonstrated the need to support the **Agricultural sector**, important in the LEADER area for its jobs, stewardship of the environmental quality of the area, and for the opportunity that agriculture and its products (including environmental quality) have for added value diversification linking producer, environment and consumer.

*LEADER Focus:* Following on from the consultation process, LEADER will focus primarily on projects too small for the main RDPE programme i.e. projects below £50,000. Priority will be given to projects which:

- *add value to local products;*
- *support the development of the food & drink, tourism, creative industries, and environmental technology sectors (also priorities in the West Midlands RIP);*
- *involve collaboration between businesses (although grant aid may need to be sought on an individual basis);*
- *deliver clear economic benefits;*
- *demonstrate an environmentally sustainable approach e.g. through resource efficiency, minimising waste or utilising renewable energy solutions.*

Although anticipated to be significantly less in number, larger collaborative applications will also be encouraged up to the threshold for LEADER identified by *emda* drawing on input from appropriate trusts and charities. The intention is to encourage farmers and other land-based businesses to build on experience through initiatives such as the Peak District Dairy Wagon and Peak Choice which have proved collaboration can be achieved. Learning from existing projects will help develop criteria for support to ensure a sustainable approach is embedded within new enterprise proposals accompanied by appropriate training (see Measure 331). Facilitation support referred to earlier will link to land management support through Axis 2 (via the PDLMAS) and provide opportunities to build larger projects appropriate to Axis 1.

*Proposed Activities:* Activity will be achieved through up to 50% revenue and capital grant aid within the de-minimis threshold to support diversification projects although the average grant rate is expected around 45% with an average grant size of around £10,000. RDPE intervention rates will be highest for projects which can demonstrate benefits to the wider rural economy and an environmentally sustainable approach.



Grant aid will be provided towards the cost of feasibility studies and market research, start up capital and revenue costs, product development and marketing costs and capital costs of development including refurbishing premises (redundant buildings to be considered under the DDEP/DCC RBG Grant scheme). Associated training and mentoring will again be provided through Measure 331. Based on experience of previous programmes operating in the area, the type of activities anticipated under Measure 311 include:

- *Purchasing equipment to enable on site processing and production of new added value products;*
- *Physical works to accommodate open days and farm visits;*
- *New collaboration ventures e.g. supporting alternative uses for local wool.*

<b>Measure 311 Allocation &amp; Forecast Contribution to RDPE Targets</b>	
LEADER Allocation	20% / £380,000
Indicative Outputs & Results	<p><b>Outputs to March 2010</b></p> <ul style="list-style-type: none"> <li>• <i>Number of beneficiaries - 11</i></li> <li>• <i>Total volume of investment - £210,000</i></li> </ul> <p><i>Total Lifetime Outputs</i></p> <ul style="list-style-type: none"> <li>• <i>Number of beneficiaries - 38</i></li> <li>• <i>Total volume of investment - £845,000</i></li> </ul> <p><i>Results</i></p> <ul style="list-style-type: none"> <li>• <i>Gross number of jobs created - 13</i></li> <li>• <i>Proportion of businesses supported showing increase in GVA equal to or greater than other similar businesses – 50%</i></li> </ul>
Anticipated Outcomes / Longer Term Impacts	<ul style="list-style-type: none"> <li>• <i>An increase in farm incomes via alternative income streams enabled through LEADER</i></li> <li>• <i>An increase in collaborative activity</i></li> </ul>

**Measure 312 / Strategic Objective 2** – This is a key measure for delivering the LDS and addresses the wider need to support the high proportion of **Micro-Enterprises** which predominate the LEADER area.

*LEADER Focus:* Micro-businesses and social enterprises bringing forward projects under this measure will be required to:

- *Involve the development and/or promotion of local (to the area) products (and their supply chains) or the provision of local services;*
- *deliver clear economic benefits, specifically new job creation;*
- *demonstrate an environmentally sustainable approach e.g. through resource efficiency and minimising waste or utilising renewable energy solutions.*

As previously indicated, LEADER support will be focused on sole traders and home-based businesses (to encourage them to develop further) and community / social enterprises requiring support to develop new services. Business start-ups will also be encouraged through this measure although based on experience of previous projects, the minimum grant size for LEADER (£3,500) may be a barrier for some. However, to try and address this issue the following complementary activity is proposed:

- *In discussion with EMB Ltd, the RAZ element of DDEP's Enterprise Development Fund will be targeted more towards business start-ups (typical grants of £1,000 - £2,000) enabling fledgling businesses to progress on to LEADER for support to further develop and grow the business;*
- *To encourage interest from harder to reach groups, the Princes' Trust has agreed to align part of its own (private) loan funds for use by applicants from the LEADER area. With typical loans of £2,500, this will help towards part of the match funding requirement for LEADER but still require new businesses to make a (more affordable) contribution.*

*Proposed Activities:* Activity under this measure is **not sector specific** and any micro- enterprise not eligible under Measure 311 which meets the criteria outlined above (including tourism and social enterprises) will be able to seek up to 50% grant aid on an individual basis (within de-minimis thresholds). As with the previous measure, the majority of projects are anticipated to be well under £50,000 with

average grants of around £7,500 and the average RDPE grant rate expected at 40%. However, outputs / results, particularly job creation are anticipated to be a higher than under Measure 312. As with Measure 311, RDPE intervention rates will be highest for projects which can demonstrate benefits beyond the applicant for the wider rural economy and an environmentally sustainable approach. Again collaboration activity will be encouraged where appropriate. Grant aid will support market research, start up capital and revenue costs, product development and marketing costs and capital costs associated with growing the business including refurbishment of premises. Associated training and mentoring will again be provided through **Measure 331**. The facilitation support described earlier will help link grant assistance to business networking, mentoring and business support outwith the LEADER LDS (and within the wider RAZ Action Plan). Based on previous programmes, the type of activities anticipated under Measure 312 include:

- *The set up and marketing costs of a new business venture e.g. honey making business, micro-brewery, out-door activity business, Creative Industry business developing new products;*
- *Refurbishment work to set up new studio space for craft / creative industry businesses;*
- *Contributions towards building conversions to provide quality serviced visitor accommodation.*

<b>Measure 312 Allocation &amp; Forecast Contribution to RDPE Targets</b>	
LEADER Allocation	20% / £380,000
Indicative Outputs & Results	<p><b>Outputs to March 2010</b></p> <ul style="list-style-type: none"> <li>• <i>Number of micro-enterprises supported - 11</i></li> </ul> <p><i>Total Lifetime Outputs</i></p> <ul style="list-style-type: none"> <li>• <i>Number of micro-enterprises supported - 50</i></li> </ul> <p><b>Results</b></p> <ul style="list-style-type: none"> <li>• <i>Gross number of jobs created – 37</i></li> <li>• <i>Proportion of businesses supported showing increase in GVA equal to or greater than other similar businesses – 75%</i></li> </ul>
Anticipated Outcomes / Longer Term Impacts	<ul style="list-style-type: none"> <li>• <i>An increase in the growth of micro-enterprises</i></li> <li>• <i>An increase in collaborative activity</i></li> </ul>

*N.B. The focus of activity under Measures 311 and 312 will be reviewed by the LAG after the first 18 months and criteria refined accordingly to reflect current issues.*

**Measure 313 / Strategic Objective 3** – This measure will support the development of a **Sustainable Tourism** product for the wider Peak District. There is a need to further develop the tourism product and raise its quality, achieving higher visitor spend, extending the tourism season and maximising retention of visitor spend locally.

*LEADER Focus & Proposed Activities:* Working with the DMP and its constituent partners supporting tourism development within the Peak District, during the first 18 months of LEADER, three inter-related strands of activity will be developed and commissioned via a competitive tender process:

- *A cluster development initiative, working alongside existing tourism businesses and tourism organisations to assist sustainable product development under the themes of heritage (including spa related), food & drink and recreation & adventure, and identify and develop related niche products such as eco-tourism and high value “distinctive visitor experiences”;*
- *Supporting community led tourism, helping community organisations bring forward local tourism initiatives which can then be linked into wider product development and marketing initiatives;*
- *(to be delivered under training Measure 331) Raising awareness and understanding amongst local businesses and service providers of the potential benefits of developing and effectively marketing the “green” credentials of a business.*

The third strand in particular is aimed at capitalising on the growing number of visitors who appear to be taking environmental actions into account when making decisions on how to travel, where to stay, what to do and where to eat. The initiative will help further develop the concept of a “green business club” for the

Peak District, already established for some sectors through initiatives such as the Environmental Quality Mark project. After the initial two year development period, targeted business development programmes will be established and community initiatives supported under this measure, the product from which can then be aligned with marketing campaigns developed by the DMP. Grant aid to tourism businesses on an individual basis will be provided through Measure 312.

In the initial stages of LEADER, (aside from training) activity will be funded at or near 100% (as there is unlikely to be a direct commercial return) and up to de-minimis limits. However, beyond this period, a limited private sector contribution is anticipated to support new initiatives. Costs will comprise technical support, costs of establishing collaborative ventures, feasibility work, market development activities and marketing local products (in consultation with the DMP).

As indicated within Section 3, it is proposed to link Measure 313 with **Measure 323 / Strategic Objective 4 (also WM RIP)** which seeks the enhancement of **Rural Heritage** as the basis for sustainable economic growth, with particular significance in the Peak District when associated with tourism development potential (and links with the themes identified by the DMP). Activity under this measure will comprise small scale infrastructure improvements such as on site interpretation features e.g. restoration of cultural features where these are part of a local heritage tourism package and revenue support for associated studies and research. It is anticipated that grant aid against applications will vary from 50 – 100% depending on the extent of commercial return (likely to be limited). However, contributions (target 25%) from local community and private sector organisations will be encouraged towards local initiatives. The summary table sets out the allocations proposed and outputs anticipated for Measures 313 and 323 (exc. training).

<b>Measure 313 and 323 Allocations &amp; Forecast Contributions to RDPE Targets</b>		
LEADER Allocations	M313 – 15% / £285,000	M323 – 5% / £95,000
Indicative Outputs & Results	<p><b>M313 - Outputs to March 2010</b></p> <ul style="list-style-type: none"> <li>• No. of new tourism actions - 1</li> </ul> <p><b>Total Lifetime Outputs</b></p> <ul style="list-style-type: none"> <li>• Number of new tourism actions - 8</li> <li>• Total volume of investment - £316,667</li> </ul> <p><b>Results</b></p> <ul style="list-style-type: none"> <li>• Additional number of tourist visits – 800</li> <li>• Gross number of jobs created - 10</li> <li>• Proportion of businesses showing increase in GVA equal to or greater than other similar businesses – 50%</li> </ul>	<p><b>M323 - Outputs to March 2010</b></p> <ul style="list-style-type: none"> <li>• Number of rural heritage actions – 2</li> <li>• Total volume of investment - £26,667</li> </ul> <p><b>Total Lifetime Outputs</b></p> <ul style="list-style-type: none"> <li>• Number of rural heritage actions - 12</li> <li>• Total volume of investment - £126,667</li> </ul> <p><b>Results</b></p> <ul style="list-style-type: none"> <li>• Population in rural areas benefiting from improved services - 450</li> </ul>
Anticipated Outcomes / Longer Term Impacts	<ul style="list-style-type: none"> <li>• Increased levels of business clustering in the area</li> <li>• Increased number of tourism products for the visitor</li> </ul>	

*N.B. The strategic actions identified will result in additional tourism/heritage actions from beneficiaries.*

**Measure 331 / Strategic Objective 5 (also WM RIP)** – Activity under this measure to assist **Skills Development** will be commissioned through the LAG in order to underpin delivery of all LDS strategic objectives / RDPE measures and the different economic actors concerned. It is also proposed to link activities under this measure with potential co-operation activities set out in Section 10.

**LEADER Focus & Proposed Activities:** Section 3 has identified the proposed areas of training activity to be delivered over the life of LEADER. Bespoke training requirements for businesses supported under Measures 311 and 312 will also be considered under this measure. During the first 18 months (and to align with spend through other measures) it is proposed to commission training in the following areas:

- *Training and mentoring programmes for farming families, particularly aimed at young people on the farm considering diversification schemes and on encouraging collaboration* - The initiative will work

with farmers and other land-based businesses to develop diversification ideas through a structured programme of training (primarily non qualification based), personnel development, business mentoring, work on leadership and practical skills, networking activities (delivered locally) and case study visits to successful diversification schemes (linked to the co-operation strand). Links will be developed with Brown & Co, PDLMAS and regional provision to ensure a complementary approach.

- *Environmental training on greening your enterprise and on how to develop a marketing edge as a result* - Taster courses on marketing run for businesses with support from the Rural Pathfinder have been well received and a wider programme of activity is proposed under LEADER to develop understanding of environmental management techniques and the opportunities for utilising small scale environmental technologies and renewable energy solutions. This will also be linked into the land-based training proposals above.
- *Developing business management skills through an integrated partnership programme comprising business and community development expertise delivered jointly to business and community groups in local venues* - This will link in with the wider Staffordshire Moorlands LEADER bid and theme of "Communities Mean Business".

As with Measure 313, applications will be invited to LEADER to deliver these programmes. Grant aid will comprise support towards the cost of trainers, facilitators and mentors, course and examination fees, project management costs for training bodies, venue hire and refreshment costs. Up to 70% will be provided through RDPE (under the Training Aid block exemption) with the remainder coming from beneficiary income and other private sources. The other training programmes identified will be brought forward over the remaining period of LEADER with specific details confirmed in the LAG's rolled forward Business Plan for 2010 onwards.

<b>Measure 331 Allocation &amp; Forecast Contribution to RDPE Targets</b>	
LEADER Allocation	12.5% / £237,500
Indicative Outputs & Results	<p><b>Outputs to March 2010</b></p> <ul style="list-style-type: none"> <li>• Number of participating economic actors – 50</li> <li>• No. of training days received by participants - 150</li> </ul> <p><i>Total Lifetime Outputs</i></p> <ul style="list-style-type: none"> <li>• Number of participating economic actors - 237</li> <li>• No. of training days received by participants - 711</li> </ul> <p><i>Results</i></p> <ul style="list-style-type: none"> <li>• No. of participants successfully ending a training activity – 90% of which 80% have applied the required skills in practice</li> </ul>
Anticipated Outcomes / Longer Term Impacts	<ul style="list-style-type: none"> <li>• More young people equipped with the skills necessary to develop the farm business</li> <li>• An increase in the number of enterprise initiatives incorporating "green" solutions</li> </ul>

In the **West Midlands**, beyond measures common across both RIPs, the main focus is on **Measure 321** - Basic services for the economy and rural population:

**Measure 321 / Strategic Objective 6** – Community businesses are expected to be an integral participant in activities related not only to this Measure, but also to the Micro Enterprise and Tourism Measures and the proposals outlined to support the implementation of the East Midlands RIP are open to community enterprise proposals as much as commercial business. However, under this Measure, support will be provided where community enterprises are specifically proposed as a means of addressing gaps in rural service provision.

*LEADER Focus & Proposed activities:* During the first 18 months of LEADER, the main focus will be on developing and delivering a pilot Innovation and Entrepreneurship support programme for rural retailers to

build on the programme of support described in Section 3. The programme, commissioned by DDEP will aim to develop initiatives such as alternative community provision, joint buying groups, training packs for shop keepers, internet purchasing from community venues and determine the potential for developing a combined shop and social housing model. The work previously commissioned by DDEP (with *emda* support) scoped out a number of outline proposals to support these initiatives which will provide the starting point for additional activity under LEADER, linked with the activities of VCS partners in Staffordshire.

Alongside this work, more detailed consideration will be given to the need to support the provision of multi-use centres, particularly in more remote rural locations, providing a range of key services in one place. Accessibility issues will also be considered by the LAG linking into the work of the NW Derbyshire Local Accessibility Partnership and Staffordshire Moorlands Rural Access to Services Partnership with a view to linking together initiatives across the LEADER area.

Grant aid will be between 50-100% and within de-minimis thresholds when involving business input. Projects and proposals from social enterprises to assist the delivery of this measure will be particularly encouraged. Costs supported will include: costs associated with the establishment of new services, small scale capital costs and capacity building required for communities to take on / improve service delivery.

<b>Measure 321 Allocation &amp; Forecast Contribution to RDPE Targets</b>	
LEADER Allocation	12.5% / £237,500
Indicative Outputs & Results	<p><b>Outputs to March 2010</b></p> <ul style="list-style-type: none"> <li>• Number of supported actions – 1</li> <li>• Total volume of investment- £46,667</li> </ul> <p><i>Total Lifetime Outputs</i></p> <ul style="list-style-type: none"> <li>• Number of supported actions – 10</li> <li>• Total volume of investment- £316,667</li> </ul> <p><i>Results</i></p> <ul style="list-style-type: none"> <li>• Population in rural areas benefiting from improved services – 1,000</li> </ul>
Anticipated Outcomes / Longer Term Impacts	<ul style="list-style-type: none"> <li>• To help stem the decline in rural retail provision</li> </ul>

Although the East and West Midlands therefore draws from different measures, the LDS approach is one which sees community enterprise as part of the micro enterprise focus for LEADER activities, contributing to the social and community priorities of the West Midlands RIP of 'positive culture of enterprise and economic purpose', 'a strong sense of place...and a demonstrable satisfaction with their environment' and 'the capacity to develop and maintain voluntary groups and activities'.

**Measure 431 / Operational Objective A** and **Measure 421 / Operational Objective B** – These measures will support the administration of the LAG and facilitation of potential projects / groups (see Section 7) funded at approximately 52% and co-operation activity (see Section 10) funded at or near 100%. A combined 15% or £285,000 of the LEADER allocation will be assigned to these measures.

<b>Measure 431 and 421 Allocations &amp; Forecast Contributions to RDPE Targets</b>		
LEADER Allocations	M421 – 1% / £15,000	M431 – 14% / £270,000
Indicative Outputs & Results	<p><u>M421</u> - <b>Outputs to March 2010</b></p> <ul style="list-style-type: none"> <li>• No. of co-operation projects – 0</li> </ul> <p><i>Total Lifetime Outputs</i></p> <ul style="list-style-type: none"> <li>• No. of co-operation projects - min 2</li> </ul>	<p><u>M431</u> - <b>Outputs to March 2010</b></p> <ul style="list-style-type: none"> <li>• Number of supported actions – 1</li> </ul> <p><i>Total Lifetime Outputs</i></p> <ul style="list-style-type: none"> <li>• Number of supported actions – 2</li> </ul>
Anticipated Outcomes / Longer Term Impacts	<ul style="list-style-type: none"> <li>• Increased learning of other approaches to rural development and sharing of experiences</li> <li>• Increased capacity within the LAG</li> </ul>	

### 8b Summary

An allocation of £1.9m is required to support the delivery of the LDS over the six calendar years 2008-2013. Whilst we realise discussion will be needed across both RIPs to assemble the budget, we indicate in the table below how we see the RDPE measures contributing to our strategic and organisational objectives and the level of priority assigned to each measure. We appreciate that a balance between East and West Midlands RIPs will be needed – on a population basis the LEADER area has 85% of its population in the East Midlands and 15% in the West Midlands. This could be one rationale for allocating funds.

<b>Total RDPE Allocation to deliver LEADER - £1,900,000</b>			
<b>Indicative Annual RDPE Budget allocated to delivery of Strategic Objectives: £1,615,000</b>			
<i>Strategic Objective:</i>	<i>% of 1,900,000 budget</i>	<i>Grant Intensity</i>	<i>RDPE Measures supporting delivery</i>
SO1: Land based sector	20%	Up to 50%	EM: 311
SO2: Micro enterprises	20%	Up to 50%	EM: 312
SO3: Sustainable tourism	} 20%	Up to 100%	EM: 313
SO4: Rural heritage			EM: 323, WM: 323
SO5: Rural skills	12.5%	70%	EM: 331, WM: 331
SO6: Rural services	12.5%	75-100%	WM: 321
<b>Indicative Annual RDPE Budget allocated to delivery of Organisational Objectives A &amp; B: £285,000</b>			
<i>Organisational Objective:</i>	<i>% of 1,900,000 budget</i>	<i>Grant Intensity</i>	<i>RDPE Measures supporting delivery</i>
OOA: Efficient admin	} 15% + in kind contribution + wider RAZ facilitation	100%	EM: 431, WM: 431
OOB: Co-operation		Approx. 52%	EM: 421, WM: 421

Profiled annual spend is set out in *Appendix 2*. As indicated, a build up is anticipated over the initial years to take account of the need for facilitation to bring forward project ideas. Regarding the administration budget, it is understood that programme evaluation will be undertaken by *emda* at the regional level with input from LEADER groups to the process.

### 9. Securing Outcomes and Succession Planning:

Whilst the LDS advocates an environmentally sustainable approach, it is also important that where possible, activities funded through LEADER create sustainable benefits in the longer term. As indicated, much of the LEADER activity proposed will be delivered via direct, one off grants to stimulate enterprise initiatives, and therefore have a finite lifespan. However, under some Measures, the LAG intends to initiate more specific activities where the need for intervention has been identified e.g. under Strategic Objective 3. The networking role of the LAG longer term also needs consideration and specifically how this and the momentum generated through LEADER can be sustained. The LAG therefore proposes the following approach:

**a) Projects** - The appraisal process for each project funded will ensure sufficient consideration has been given to business planning for the duration of the project and succession planning once grant assistance has come to an end. Applications which have not addressed these issues fully will not be supported. For projects which require longer term funding, support will be provided on a tapering basis to encourage applicants to secure alternative income streams and/or develop a more self sustaining approach. Where projects demonstrate good practice, the LEADER Officer will work with the LAG to promote these approaches across the wider LEADER area and disseminate the learning. Regarding projects initiated by the LAG, whilst initiatives will only be established commensurate with the funding period for LEADER, particularly successful schemes will be promoted to key partners for consideration as potential mainstream

initiatives. In cases involving activities for specific sectors, the potential for the private sector to take up initiatives will also be considered e.g. through a membership / subscription approach.

**b) The LAG** - The networking activity of the LAG will be particularly important to sustain post LEADER. Partners in the Peak District have developed a good track record over the years in this area and the aim is for LEADER to build on this. The role of individual LAG members will be key in terms of how they link LEADER into other business and community networks. The aim is that when LEADER comes to an end, the networks developed will provide a firm basis for continued public-private sector partnership working in the area.

In developing LEADER and its succession strategy, consideration will also need to be given to the impact of the Sub National Review (SNR) of Economic Development published in 2007, setting out plans to reform policy and delivery of economic development and regeneration in England by 2010. As with the recent work aimed at developing and strengthening rural structures, DDEP will continue to work alongside its local authority colleagues and partners over the coming months as SNR develops.

### **10. Approach to Co-operation:**

The Peak District LEADER area is keen to capitalise on the benefits from working with partners elsewhere in the country and trans-nationally. The following opportunities have been identified for development, building on links already established with partners through previous initiatives:

- *Through LEADER+, a successful programme of exchange visits was developed for farmers looking to diversify and / or develop new added value initiatives to provide inspiration for new ideas and learn from other areas. Links were developed with other Local Action Groups in Ireland, Northumberland and Cumbria. Aligned with proposed activity under Measure 331, it is proposed to develop a further programme of visits involving more farmers and expanding the initiative to involve other upland areas;*
- *Small businesses in the tourism sector have already benefited from involvement in a trans-national project with Scandinavian partners – Fyresdal and Hylte (part funded through INTERREG III) developed by the Peak District National Park Authority and there are further opportunities to build on the linkages established through this work. Two potential themes have been identified for potential development: Small scale renewable energy solutions for rural businesses; and Well being, linking health promotion with business development opportunities which would link well with the spa heritage of the area and major initiatives around these themes in Buxton.*

These initiatives may still form part of a National Park INTERREG IV project (INSPIRE - to be re-submitted in the Spring) which will enable a larger programme of activity to be developed. If successful, INSPIRE will also sustain and enhance advice and animation support for micro-businesses and communities which can then progress to LEADER for grant assistance. However, at this stage it has been agreed to allocate a proportion of LEADER funds to this important area of activity.

A third area focusing on inter-regional co-operation is being considered focusing on supply chain development and business networking as a theme. The National Forest has been identified as a potential partner, and, if both LAGs are successful, more detailed proposals will be discussed drawing on the cross boundary issues affecting both LAGs. Again if successful, there is also potential to work with the LAG proposed for the NE Derbyshire Area which is adjacent to the Peak District Boundary and further discussion will take place once the outcome of LEADER is known.

As set out in the following section, initial co-operation activities are scheduled to begin towards the end of the first year of LEADER. Between two and three co-operation activities are anticipated in total, linked to other Strategic Objectives. Although not shown in *Appendix 2* (as not direct leverage against Peak District expenditure), contributions from other participating LAGs are anticipated towards exchange visits etc.

**11. Business Activities to December 2009:**

Finally, subject to formal approval in February, it is proposed to move quickly to establish the LAG and commence delivery. Section 8 set presented the **forecast outputs** to be delivered during the initial period of LEADER and **Appendix 2 the forecast RDPE spend**. The following table brings together the activity proposed under the **LDS Operational and Strategic Objectives** linked to **RDPE Measures** up until December 2009:



Activity by LDS Objective / RDPE Measures	Year	2008				2009			
	Lead / Supporting Partners	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3	Qtr 4
<b>OOA / Measure 431 – LAG/Admin/Capacity</b> - Begin Officer recruitment process - LAG induction process - Appraisal / Monitoring systems & processes established - Launch event & mail shot of info & Eols - Appoint LEADER Officer - LAG meetings - Themed Focus groups - Approval Panels	DDEP / LAG partners	April May  May June April May	July July	Sept Sept Aug	Dec Nov Oct	March  Feb	June May April	Sept  July	Dec Oct Oct
<b>SO1 / Measure 311- Land-based</b> - 1 <sup>st</sup> round of Eols considered - 1 <sup>st</sup> round applications approved - 2 <sup>nd</sup> round applications approved - Applications approved in 2009	NFU PDNPA EMB/B.Link N. England F. Life Centre		July	Sept	Oct	Feb	April	July	Oct
<b>SO2 / Measure 312 – Micro-Enterprise</b> - 1 <sup>st</sup> round of Eols considered - 1 <sup>st</sup> round applications approved - 2 <sup>nd</sup> round applications approved - Applications approved in 2009	EMB/B.Link P. Trust CVSs/DRCC LAs		July	Sept	Oct	Feb	April	July	Oct
<b>SO3 / Measure 313 – Tourism &amp; SO4 / Measure 323 - Heritage</b> - Project briefs developed - Cluster Dev initiative commissioned - Community Tourism initiative commissioned - Heritage projects funded/underway	DMP / constituent partners CVSs/DRCC		July	Sept Oct	Dec	Feb	April	Sept – Review July	Dec – Review
<b>SO5 / Measure 331 - Skills</b> Following programmes to be commissioned: - Farming family training - Greening your enterprise training - Business management skills training	NFU PDNPA EMB/B.Link Uni of Derby F. Life Centre CVSs/DRCC			Sept Sept	Nov			Sept – Review Sept – Review	Dec – Review
<b>SO6 / Measure 321- Rural Services</b> - Commission Innovation & Entrepreneurship Programme for rural retailers	DDEP CVSs/DRCC EMB/B.Link			Sept				Sept – Review	
<b>OOB / Measure 421 – Co-operation</b> - 1 <sup>st</sup> Trans- regional project underway - 1 <sup>st</sup> Trans-national project underway	DDEP PDNPA					Feb			Dec



