



Regional Development  
Agency



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

## New LEADER Delivery Plan Guidance

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## 1. Introduction

1.1 The independent LEADER Panel has endorsed four Local Development Strategies and the relevant Local Action Groups (LAGs) have been invited to outline how they will deliver RDPE in a 'New LEADER Delivery Plan'.

1.2 One NorthEast plans to commit a minimum of £4.5m<sup>1</sup> of RDPE funds to the New LEADER Approach from October 2008 until March 2011. In the meantime, the Agency has asked each LAG to prepare a LEADER Delivery Plan that will outline how each LEADER partnership will deliver their Local Development Strategies.

1.3 Until the Delivery Plans are agreed, One NorthEast has made up to £100,000 of preliminary expenditure available for each sub region. Each LAG could therefore draw down on up to £50,000 each, although it is recognised that each LAG may have differing needs and these funds will be managed pragmatically by the Sub Regional Partnerships.

1.4 The preliminary funds are available to:

- Build LAG capacity, to include; animation; training; and recruitment of project officers<sup>2</sup>;
- Prepare LEADER Delivery Plans; and
- Develop pilot projects where appropriate.

## 2. Purpose of the LEADER Delivery Plan

2.1 One NorthEast is inviting all LAGs to submit three-year Delivery Plans to ensure that the New LEADER Approach can be performance managed by the Agency and the Sub Regional Partnerships in relation to: budgets; delivery of outputs and targets; and the achievement of key milestones.

## 3. RDPE delivery arrangements

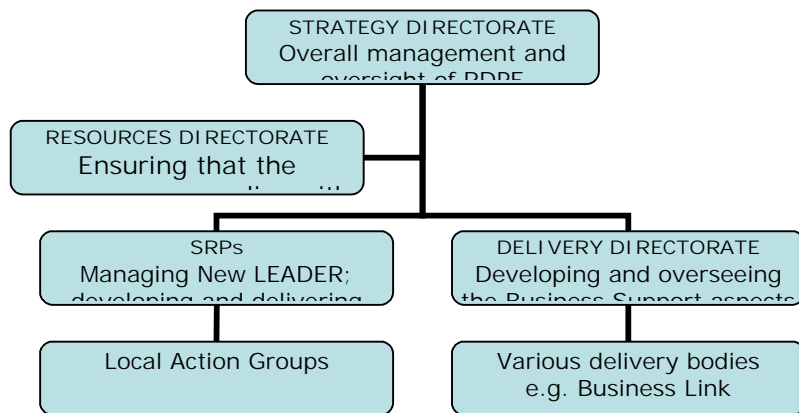
3.1 One NorthEast is responsible for the successful development, implementation and delivery of RDPE and will manage and coordinate RDPE (including the New LEADER Approach) from the 'Core RDPE Team'. The Sub Regional Partnerships will have a role in programme managing<sup>3</sup> the LEADER Approach on behalf of the Agency. A dedicated person will be available in each SRP to provide LAGs advice and guidance in relation to RDPE rules and regulations. The overall RDPE management arrangements are illustrated in the organogram on page 3.

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<sup>1</sup> Amounting to approximately £348,750 per LAG per annum. However, please note that funding levels increase incrementally over the period to March 2011. Your SRP can provide further guidance, or contact the Agency.

<sup>2</sup> Subject to agreement from One NorthEast and Sub Regional Partnership.

<sup>3</sup> Includes paying claims; carrying out technical appraisal; managing budgets; reporting outputs to the Agency.



#### 4. Delivery Plan Detail

- 4.1 The Delivery Plan should outline how New LEADER partnerships are going to turn their Local Development Strategies into action. To ensure that LAGs provide the right information the Delivery Plan is broken down into two sections:
- Section 1: Identifying high-level objectives and strategic priorities.
  - Section 2: New LEADER delivery arrangements, including information on planned expenditure; RDPE measures; funding sources; management and governance arrangements; and key milestones and performance indicators.

#### 5. Resources available to complete the delivery plan

- 5.1 One NorthEast has approved preliminary expenditure, which can be used towards developing Delivery Plans. In addition to this, the Sub Regional Partnerships and One NorthEast (see contacts below) will be available to provide advice and guidance to LAGs on what information is required in the Delivery Plan.
- 5.2 One NorthEast has prepared this template to ensure that LAG Delivery Plans are regionally consistent as well as provide the right level of information for performance management purposes. Please use this, and return to One NorthEast in electronic format by 26 September 2008. The text boxes can be expanded, but try to keep the information concise.
- 5.3 One NorthEast has also summarised the key information that you will need to complete a New LEADER Delivery Plan in relation to the RDPE measures, intervention rates, state aids and public match. This information is in the Annexes of this document.

Please contact the following people for assistance:

One NorthEast:

Michael Patterson 0191 2296872

[Michael.patterson@onenortheast.co.uk](mailto:Michael.patterson@onenortheast.co.uk)

Adrian Sherwood 0191 2296806

[Adrian.Sherwood@onenortheast.co.uk](mailto:Adrian.Sherwood@onenortheast.co.uk)

The completed Delivery Plan should be E-mailed to:

[Michael.patterson@onenortheast.co.uk](mailto:Michael.patterson@onenortheast.co.uk)

# NEW LEADER Delivery Plan for North Pennine Dales Leader Initiative

Prepared by: North Pennine Dales Leader Local Action Group

Date submitted to One NorthEast:



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

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

Guidance:

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

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

Example:

High-level objective:

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

Strategic priorities to be addressed under the high level objective:

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

Project examples:

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

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

2. Delivery of the New LEADER Approach:

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

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

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

Key milestones:

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

Key performance indicators and outputs

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

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

Financial information

New LEADER expenditure:

One NorthEast is expecting LAGs to provide the Agency with realistic budget profiles for RDPE expenditure<sup>4</sup> within each financial year, until 31 March 2011. To ensure consistency across New LEADER partnerships, we have prepared a template at table 2.2 that we would like you complete, to contain the following information:

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

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

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

Proposed use of RDPE measures.

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<sup>4</sup> This is against defrayed eligible expenditure

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

Management and governance arrangements:

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

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

Table 1.1: Summary of the Local Development Strategy

Provide a brief summary of the Local Development Strategy in no more than 350 words:

Introduction: The NPD Leader area covers the whole of Teesdale district, Weardale, the western part of Derwentside (all in County Durham) and the southern parts of Tynedale in Northumberland. It is largely characterised by upland agriculture with rearing sheep and beef. Grouse shooting is also an important component of the local economy. Most of the area lies within the North Pennines Area of Outstanding Natural Beauty, is predominantly classed as 'severely disadvantaged' in EU agricultural terms. It has a very high nature conservation value indicated by its large areas of SSSIs, Special Protection Area (SPA), Special Areas of Conservation (SAC) and the Moorhouse and Upper Teesdale National Nature Reserve (NNR). Tourism is largely based on the natural and cultural heritage of the area and most of the businesses are micro enterprises.

The LAG is a strong partnership of private, public and community sector organisations built on existing structures and networks like the 4 LSPs, North Pennines Leader+ and the West Durham Rural Pathfinder. There are currently 22 members of the LAG, and a broader stakeholder membership which balances sectors and geography, with the Enterprise Agency taking the lead role.

Our approach is to link local priorities to strategic objectives to provide opportunities for long term, sustainable and transformational change. We also seek to add value to the Leader project by using assets such as BLNE and the CDP and Northumberland Tourism.

Key issues which the NPD Leader Project is seeking to address:

- Viability of agriculture and its potential effects on the natural and cultural assets of the area. The economies of scale of small farming businesses needs to be enhanced through the promotion and introduction of more collaborative working practices which will help maintain the critical mass of population in already sparsely populated areas.
- Locally accessible services. It is becoming increasingly expensive to deliver services in conventional ways. Innovative approaches need to be developed for rural communities to have equitable access to even basic services, this includes access to high quality broadband and communications technology.
- High value tourism. Increasing tourism connectivity, improving the quality of the offer and collective, cohesive marketing.
- Business growth and support. Appropriate support and resources to stimulate growth, improve competitiveness and create sustainable higher value employment.
- Young people. Retaining young people through raising aspiration and the provision of high quality developmental and career opportunities.
- Environmental footprint. Reducing the environmental footprint in rural areas through raising awareness, promoting and incentivising best practice and improving business's environmental performance.

Strategic aims and objectives

- To develop sustainable economic opportunities and generate community cohesion from the area's natural and cultural assets and working landscapes.
- To build on the existing entrepreneurial culture to provide higher value employment and increase business competitiveness
- Improve the financial and environmental performance of local businesses.
- To provide training and development opportunities which continue to meet the changing needs of people and employers

Fit with other funding mechanisms including RPDE

It is recognised that the North Pennine Dales Leader Development Strategy identifies some issues and objectives which may also be addressed by other rural development related programmes, not least the 'mainstream' RDPE programme. An emerging issue is the slightly different priorities being set by the Sub Regional Partnerships, leading to differences in direction for different parts of the North Pennine Dales area. The LAG will continue the dialogue with the SRPs with regard to this issue and work with other funding programmes to ensure that the North Pennine Dales Leader programme adds value rather than duplicates effort.

High level objective one:

Land and Landscapes – to take forward the sustainable farming and forestry agenda whilst addressing current and emerging concerns through the development of sustainable economic opportunities and generating community cohesion from the area's natural and cultural assets and working landscapes.

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

SP 1: To increase the viability of farms through farmer delivery of greater technical efficiency, collaboration, environmental enhancement (including cultural heritage), improved animal welfare or diversification.

SP 2: To increase utilisation and management of under- and unmanaged woodland resource for economic, social and environmental outcomes.

SP 3: To develop green and recreational tourism activity, using the natural, cultural and heritage assets of the area at a local level and through area-based plans to increase revenue for the local economy.

Examples of projects/ initiatives:

- Development of pilot Land Futures group building on the work done in Loch Lomond and the Trossachs National Park- possibly in Weardale (also linked to High Level Objective 3, SP1). Further collaborative projects are expected to be developed through such a Land Futures approach.
- Teesdale Wood Heat – pilot project to stimulate cooperation between managers of small farm woodlands to improve woodland biodiversity and supply the wood fuels market locally (also linked to High Level Objective 2, SP1)
- Whitley Castle visitor centre – development of visitor facilities and interpretation based around the Roman Fort at Whitley Castle in the South Tyne Valley (also linked to High Level Objective 3, SP1 and SP2).
- Further development of local food markets and supply chains – Teesdale Marketing
- Increasing public knowledge of the countryside through arts, crafts & cultural initiatives
- Festivals & Events – Cycle Events Hamsterley Forest, Food & Music Festivals, Festivals based on the natural heritage of the North Pennines area.

High level objective two:

Sustainable Dales Communities – supporting the sustainable development of local communities by developing initiatives which significantly strengthen proven approaches and/or adopt innovative approaches to service retention and new service creation which stimulate enterprise and encourage income generation. Delivering against this objective will build on previous community-based planning and it is envisaged that RCCs will continue to support such initiatives.

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

SP 1: To increase the level of collaborative activity amongst farmers, woodland owners, moorland managers and other land managers.

SP 2: Providing innovative and community-based access to services including post offices, rural shops & Broadband

SP 3: To increase the amount of diversified (non-agricultural) activity within farming households

SP 4: Making best use of existing assets i.e. community buildings

Examples of projects/ initiatives:

- Encourage collective marketing.
  - Weardale Quality Meat development- business planning, capital investment, development of deliveries, coordination, packaging and processing.
  - Collective purchasing i.e. utilities
- Project with RCCs to encourage communities to plan for increased sustainability- more projects are expected to be identified through such a project

- Community Supported Agriculture – Wolsingham CSA Project
- North Pennines Food Project- routes to market, access to kitchens, virtual academy, food festivals.
- 'Transition Town' and low carbon community projects
- Development of sustainable Social Enterprises to provide services i.e.childcare etc
- Transform existing assets i.e. Village Halls into multi use facilities

High level objective three:

Natural and Cultural Tourism – make best use of our natural, cultural and heritage assets to increase visitor numbers and spend.

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

SP 1: Develop green and recreational tourism using our natural, cultural and heritage assets.

SP 2: Develop tourism infrastructure to meet and manage visitor perception and experience.

SP 3: Develop a cohesive and targeted marketing campaign which raises awareness of and caters for targeted customer segments.

SP 4: Improve the tourism offer through training, investment and brand development.

SP 4: Improve the tourism offer through training, investment and brand development and by linkage to high level objectives one and four.

Examples of projects/ initiatives

- Delegated Greening Your Tourism Enterprise Fund
- Development of integrated tourism packages bringing together activities, accommodation, training, improvement of support services and marketing (e.g. Isaac's Tea Trail, cycle tourism package).
- Raise awareness of visitor profiles to ensure local businesses work collaboratively and effectively target visitor groups to make best use of marketing resources.
- Develop the tourism offer through:
  - Customer Service Training
  - Raising the quality of the local offer – accommodation / attractions
  - Encourage clustering and joint working i.e. Wear Valley Visitor Network & Teesdale Marketing

High level objective four:

Lives and Livelihoods – to develop initiatives which support micro enterprise development, assist potentially excluded groups and link education / training to employment.

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

SP 1: To increase the contribution of micro-enterprise to economic growth, by increasing competitiveness through training, mentoring and access to specialist support.

SP 2: Provide opportunities for young people, women and other disadvantaged and under-represented groups to explore enterprise as a career option.

SP 3: Identify & develop key sectors and businesses with the opportunity and capacity for growth such as tourism, local producers and

SP 4: Develop local supply chains and networks to stimulate local trading and encourage collaborative working.

Examples of projects/ initiatives

- 'Farmers for the Future' training scheme (also linked to High Level Objective 1, SP1)
- Development of 'Know Your North Pennines' training scheme for tourism businesses (linked to High Level Objective 1, SP3).
- Business Development Programme linking skills development and mentor support. Improving business and environmental performance.
- Community Enterprise Coaches – working with individuals and community groups to stimulate enterprising activities and business starts / micro enterprise growth
- Enterprise Forum – providing social networking, peer support and trading opportunities, catering for home based businesses and under represented groups i.e. female entrepreneurs.
- Enterprise Apprenticeships – developing entrepreneurs of tomorrow

High level objective five: Enterprise and Innovation Fund

Delegated Fund for Enterprise Development. Gap fund where mainstream funding may not be able to intervene or support. This fund will complement rather than duplicate existing mainstream provision. Easy access, risk related targeted at projects which stimulate entrepreneurial activities (including community based

development of services) or encourage enterprising development or growth.

Examples of potential activities.

Small Capital Purchases

Non accredited / non mandatory training i.e. landbased

Start up or seed capital – for start ups, social enterprises, existing businesses or community organisations.

Feasibility studies, including community planning initiatives

## Section 2: Delivery of the New LEADER Approach:

Table 2.1 – key milestones, outputs and performance indicators:

Key Milestones	08/09 Q3	08/09 Q4	09/10 Q1	09/10 Q2	09/10 Q3	09/10 Q4	10/11 Q1-4	
First LAG meeting	X							
Recruitment of LAG project Officer	X							
Approval of LEADER delivery Plan	X							
LAG and LEADER training plan in place	X							
Partnership agreement agreed between LEADER delivery partners								
First round of LEADER proposals approved		X						
RDA / SRP review		X		X		X	2	
Officer appointed		X						
First North Pennine Dales Leader conference					X			
First round of Leader projects approved by LAG and ONE		X						
Second round of projects approved by LAG and ONE			X					
First North Pennine Dales Leader Annual report					X			
Third round of projects approved by LAG and ONE				X				
Fourth round of projects approved by LAG and ONE					X			
Key performance indicators and outputs	08/09 Q3	08/09 Q4	09/10 Q1	09/10 Q2	09/10 Q3	09/10 Q4	10/11 Q1-4	Total
Businesses supported.	12	25	25	25	25	25	100	137
Full time equivalent jobs created	1	2	4	4	4	4	16	37
Full time equivalent job safeguarded.		2	4	4	4	4	4	36
£ Match funding leverage.	68310	77895	77895	77895	77895	77895	311580	769365
Skills days delivered.	20	30	40	40	40	40	160	370
People benefiting from rural services supported.		25	50	100	100	100	350	725
RDPE expenditure approved (£).		94213	106123	103233	103233	106233	432532	945567
RDPE expenditure defrayed (£).			94213	106123	103233	103233	424002	830804

Table 2.2 – Financial information (estimated budget per LAG £348,750 per annum)								
Elements of LEADER expenditure against high level objectives:	08/09 Q3 (£)	08/09 Q4 (£)	09/10 Q1 (£)	09/10 Q2 (£)	09/10 Q3 (£)	09/10 Q4 (£)	10/11 Q1-4 (£)	Total
High level objective one: Land & Landscapes	13350	13350	13350	13350	13350	13350	53400	134400
High level objective two: Sustainable Dales communities	13350	13350	13350	13350	13350	13350	53400	134400
High level objective three: Natural and Cultural Tourism	13350	13350	13350	13350	13350	13350	53400	134400
High level objective four: Lives and Livelihoods	22500	22500	22500	22500	22500	22500	90000	225000
High level objective five: Enterprise and Innovation Fnd	13350	24000	24000	24000	24000	24000	96000	229350
Overall elements LEADER expenditure against high level objectives (*)	75900	86550	86550	86550	86550	86550	346200	854850
LEADER capacity / resources expenditure, not to exceed 20% (£69,750 p/a)	08/09 Q3 (£)	08/09 Q4 (£)	09/10 Q1 (£)	09/10 Q2 (£)	09/10 Q3 (£)	09/10 Q4 (£)	10/11 Q1-4 (£)	Total
Staff costs	6938	6938	6938	6938	6938	6938	27752	69380
Staff On costs (e.g. Equipment, NI, pension, accomm)	2875	1625	1625	1625	1625	1625	6500	17500
Marketing and publicity	3000	3000			3000	2000	9500	20500
LAG/ Staff training and development	5500	4000	4000	4000	4000	4000	15150	40650
SRP costs for programme managing (paying claims; technical appraisal <sup>5</sup> )	0	4010	4120	4120	4120	5130	17950	39450
Overall expenditure on LEADER capacity	18313	19573	16683	16683	19683	19693	76852	187480
Overall LEADER expenditure	08/09 Q3	08/09 Q4	09/10 Q1	09/10 Q2	09/10 Q3	09/10 Q4	10/11 Q1-4	Total
Overall LEADER expenditure	94213	106123	103233	103233	106233	106243	423052	1042330
4 - LEADER funding sources	08/09 Q3 (£)	08/09 Q4 (£)	09/10 Q1 (£)	09/10 Q2 (£)	09/10 Q3 (£)	09/10 Q4 (£)	10/11 Q1-4 (£)	Total
RDPE funding	94213	106123	103233	103233	106233	106243	423052	1042330
Private sector funding	68310	77895	77895	77895	77895	77895	311580	769365
Other Public sector funding – assumed 10% of *	7590	8655	8655	8655	8655	8655	34620	85485
Overall LEADER funding	170113	192673	189783	189783	192783	192793	769252	1897180

<sup>5</sup> One NorthEast expects that LEADER partnerships will include a reasonable administration fee for SRPs. This will be something for each LAG to discuss and negotiate as appropriate.

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

RDPE Measure, please see Annex 1 for measure description		08/09 Q3 (£)	08/09 Q4 (£)	09/10 Q1 (£)	09/10 Q2 (£)	09/10 Q3 (£)	09/10 Q4 (£)	10/11 Q1-4 (£)	Total
111	Vocational training & knowledge transfer	5000	6000	6000	6000	6000	6000	24000	59000
114	Advice and guidance	3000	5000	5000	5000	5000	5000	20000	48000
121	Farm modernisation	3500	3500	3500	3500	3500	3500	14000	35000
122	Increasing the economic value of forests	3000	3000	3000	3000	3000	3000	12000	30000
123	Adding value to agriculture and forestry products	3000	3000	3000	3000	3000	3000	12000	30000
124	Co-operating to develop new products, processes & technologies	5000	9000	9000	9000	9000	9000	36000	86000
125	Improving agricultural and forestry infrastructure	3000	3000	3000	3000	3000	3000	12000	30000
311	Farm diversification into non agricultural activities	6000	6000	6000	6000	6000	6000	24000	60000
312	Business creation and development	22050	24700	24700	24700	24700	24700	98800	244350
313	Tourism	13350	13350	13350	13350	13350	13350	53400	133500
321	Basic services	6500	6500	6500	6500	6500	6500	26000	65000
331	Training & support to facilitate economic activity	2500	3500	3500	3500	3500	3500	14000	34000
Total Leader contribution		75900	86550	86550	86550	86550	86550	346200	854850

- Key: Theme 1: Land and landscapes Yellow
- 2: Sustainable Communities Green
3. Natural and cultural tourism Purple
4. Lives and livelihoods Blue includes enterprise and innovation spend

Table 2.4 LEADER governance and management arrangements

<p>a) LAG roles and responsibilities: provide a brief outline of decision-making arrangements; how projects are to be developed and supported and the management arrangements in the lead body in connection with LEADER activity.</p> <ul style="list-style-type: none"> <li>• The Local Action Group (LAG) is the sovereign body of the North Pennine Dales Leader Initiative. It brings together organisations and individuals with an interest in furthering the objectives of the initiative.</li> <li>• Membership of the North Pennines Dales Leader LAG is open to all organisations and individuals with an interest in promoting the sustainable rural development of the North Pennine Dales Leader area.</li> <li>• Membership of the LAG will follow Leader principles of having a minority of public bodies. The Leader principles will also be applied to any subgroups of the LAG. The LAG will monitor its membership to ensure that balance is maintained, both with regard to public, private and community organisations and with regard to sector and geographical representation.</li> <li>• The LAG will also try to ensure representation from women and young people or their organisations.</li> <li>• The LAG will have 22 members which are elected at the Annual Meeting. The initial term is 2 years. In all subsequent years one third of members will stand down and be subject to re-election if they so wish. The term for those elected from year 3 and onwards is three years.</li> <li>• The Accountable Body and the Sub-Regional Partnership will be 'ex-officio' members of the LAG.</li> <li>• Natural England, the Forestry Commission and the Centre for Rural Economy will be invited to LAG meetings as observers.</li> </ul> <p>The LAG has responsibility for ensuring that the Local Development Strategy reflects the strengths and weaknesses of the North Pennines Dales Leader area and meets local needs. It will identify activities which meet that local need.</p> <p>The LAG will monitor delivery of the programme against its aims and objectives and will set priorities when necessary. Members of the LAG will promote the initiative within the North Pennine Dales Leader area and beyond. It will encourage cooperation in the area and with adjoining Leader initiatives, especially Solway Border and Eden in Cumbria; there is a history of cooperation between these two areas, and especially with the Alston Moor area, which reflects common history, farming character and geography.</p> <p>The LAG will also participate in national and international events to share good practice in Leader delivery.</p> <p>The LAG will direct and support the work of the project coordinator and will provide mentors for projects where appropriate.</p> <p>In addition to agreeing and monitoring delivery of the Local Development Strategy a crucial task of the LAG is to approve project applications that meet the objectives and criteria of the initiative and to oversee tenders for work which will contribute to delivery of the programme.</p> <p>Project development</p> <p>Project development and decision making will follow the path(s) set out below.</p> <p>Open call</p> <p>It is envisaged that a substantial proportion of the North Pennines Dales Leader funds will be available to businesses, organisations and groups to develop their own ideas within the context of the Local Development Strategy. The Project Coordinator will organise a number of project development workshops throughout the area each year to make individuals, businesses and organisations aware of the opportunities and to answer any general questions.</p> <p>For such projects the following project path will be followed:</p> <ul style="list-style-type: none"> <li>• Expression of Interest- The EoI will set out an outline of the proposal on the basis of which the Project Coordinator will assess whether the proposal is an eligible activity and whether the applicant is an eligible organisation. The Project Coordinator will report all EoIs to the LAG on a regular basis.</li> <li>• Project Mentor- the LAG will chose a project mentor (if appropriate) to support applicants with the development of their full proposals.</li> </ul>
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- Full Project Application- The full application will provide the Project Coordinator, the LAG, the Accountable Body and ONE with the information required to take decisions with regard to that application.
- Technical Appraisal- The Accountable Body will carry out a technical appraisal of the full application to ensure that it is legal and within the scope of the regulations. The Accountable Body will provide a brief technical appraisal report on each which will be available to LAG members. The Technical Appraisal report will also include advice on other potential sources of advice, support and funding.
- LAG approval- The Project Coordinator will provide a summary of the proposal to the LAG which will include a fit with the Local Development Strategy, the NEIP and the RDPE. The project mentor (if appropriate) will be able to provide additional information for the LAG. The project applicant or the project mentor may make a short presentation to introduce their project at the LAG meeting. However, it will be made clear to all applicants that not making a presentation will not affect their chances of being awarded funding. The decision making itself will be 'in camera'. In the interest of efficient decision making the LAG intends to devolve decision making to an executive group. Views on project proposals will be sought from all LAG members.
- Unsuccessful Applicants- The LAG will provide a full explanation on why a project was not successful. The guidance of ONE North East will be sought on the need for an appeals process.
- ONE approval- Following LAG approval the Project Coordinator will provide ONE with the require information for final approval. In the unlikely case of ONE not approving a proposal at this stage, ONE, the Project Coordinator, the Chair of the LAG and a representative of the Accountable Body will attempt to provide proposed amendments to the application which would make it acceptable. The Project Coordinator will then discuss these proposals with the applicant.
- Offer letter- The Accountable body will issue offer letter and be responsible for monitoring claims, payments and will receive audits in due course. It will report on progress of the projects of the projects to the LAG regularly.

#### Strategic projects

The LAG may wish to encourage action focusing on a particular issue or sector or encourage a new approach to tackle an issue through targeted action. In such a case the LAG will ask the Project Coordinator or one of the LAG members to work up a project brief. The Accountable Body will carry out a technical appraisal on the brief and identify any additional conditions tenders would have to comply with to ensure proposals are eligible. Project brief with its technical appraisal will be approved by the LAG and subsequently by ONE. The brief will be put out to tender following approved procurement procedures. Tenders submitted will be considered by the LAG (or a subgroup appointed for the purpose). The contract will be let by the Accountable Body which will report back to the LAG on progress regularly.

#### Delegated grants

In a number of topic areas the North Pennines Dales LAG will seek to establish delegated grant schemes. The intention of such delegated grants is to ensure the administrative burden of the scheme falls on an organisation able to take on that responsibility, without needlessly creating a heavy burden for individuals or small organisations. In the case of delegated grant schemes, which may include easily accessible training grants, support for developing 'green' business measures, and small capital investments, the LAG will ask one or more suitable organisations to develop proposals. The proposals will be treated like other projects and taken through the appraisal and approvals process as set out under 'open call'. Organisations awarded delegated grants projects will be required to report back to the LAG on progress on a regular basis, in addition to the quarterly monitoring claims which those organisations will submit to the Accountable Body.

#### Intended timetable

The North Pennine Dales Leader LAG aims to complete the decision making process for full applications based in the North Pennine Dales Leader area in 2 months.

It recognises that substantial work and mentoring may be required between Expression of Interest and full application, but once the application has been submitted all partners owe it to the project applicant to work through the decision process efficiently and swiftly.

The LAG expects both the Accountable body and ONE North East processes also to take account of this intended time table.

#### Cross-boundary projects

The North Pennine Dales Leader LAG has a commitment to cooperation with other Leader areas on projects that address issues that are common to the Local Development Strategies of the areas concerned. It recognises that applicants need to be provided with accurate information of the assessment process that such a cross-boundary project will go through and need to be given an appropriate timescale for such an assessment. The North Pennine Dales Leader LAG is committed to working with other LAGs, Accountable Bodies and Regional Development Agencies to ensure the process is customer focused and subject to a minimum number of decisions necessary, avoiding duplication.

## Conflicts of Interest

LAG Members making financial decisions are required to conform to the standard requirements regarding declarations of interest. Members should indicate if they:

- Are employed by or receive any remuneration from and applicant organisation.
- Are on the Board of an applicant organisation.
- Have any commercial or financial interest in any project.

On declaring a pecuniary interest in a particular project, the person concerned should take no part in the discussion or decision making about a project, and may be required to leave the room for the duration of the item. Their declaration will be recorded in the minutes of the meeting and subsequently transferred to a cumulative database of members declarations of interest. This database will be available during any audit process.

Members of any financial decision making body will be provided with guidance about their role in a training session. New members of the LAG as the programme continues will also be subject to an induction process.

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

The lead body for the North Pennine Dales Leader Project will be The Enterprise Agency, which has offices in Barnard Castle (in the North Pennine Dales Leader area) and in Bishop Auckland (just outside the area). The Enterprise Agency will be the main contact organisation between the LAG, the Accountable Body and ONE North East. It will be the employing body for the project coordinator with responsibility for the provision of HR services, office, administrative support (where necessary) etc. The Enterprise Agency will also maintain the North Pennine Dales Leader website.

Line management for the Project Coordinator will be provided by the Chief Executive of the Enterprise Agency. However, the work programme of the Project Coordinator will be set by the LAG and the Project Coordinator will report progress to the LAG.

It is expected that the Project Coordinator will do the bulk of the administrative work related to the North Pennines Dales Leader Initiative. However, additional administrative support may be provided by one or more LAG organisations at a fee agreed with the LAG. In the development of the North Pennine Dales LDS this administrative support has been provided by UTASS.

The roles and responsibilities of the North Pennine Dales Leader Project Coordinator are set out in the job description which is appended to this document.

The Accountable Body for the North Pennine Dales initiative will be Durham County Council (or its successor body post-Local Government Reorganisation in April 2009). The Accountable Body will be responsible for:

- Technical Appraisal of projects before the LAG takes a decision with regard to that project proposal;
- Issue of offer letter and monitoring forms in accordance with the guidance of ONE North East
- Providing information of financial progress, delivery of outputs and other relevant monitoring matters both to the North Pennine Dales LAG and ONE North East.

Code	Measure	Rationale	Target Beneficiaries	Example activities
111	Vocational training & knowledge transfer	Workforce development to improve competitiveness & productivity	Agriculture, food & forestry sectors	Courses; seminars; interactive courses; demonstration projects.
114	Advice and guidance	Improving processes, standards, best practice	Forestry businesses	Advice on quality standards and sustainable forest management practices.
121	Farm modernisation	Improving productivity	Farmers	Purchase or lease of new machinery & equipment; costs linked to patent rights & licences
122	Increasing the economic value of forests	Creating new market opportunities, diversifying production	Private forestry businesses	Investment in harvesting equipment
123	Adding value to agriculture and forestry products	Improving processing & marketing, introducing new technologies, creating new market opportunities	SMEs & micro-enterprises	Processing & marketing new or existing products or processes; purchasing new equipment
124	Co-operating to develop new products, processes & technologies	Enhance competitiveness and create new market opportunities	Producer groups, processors,	Collaboration on design, product development and testing
125	Improving agricultural and forestry infrastructure	Enhancing competitiveness	Not specified	Energy supply
311	Farm diversification into non agricultural activities	Encourage growth, employment and maintain or increase farm income	Farm households	Service, craft & trade activities
312	Business creation and development	Creating employment	Micro-enterprises, entrepreneurs	Micro-enterprise business development; start-up support
313	Tourism	Creating employment	Rural individuals, businesses and communities	Small scale infrastructure; tourism marketing; access infrastructure
321	Basic services	Improve conditions for business & rural life; halting economic & social decline	Rural businesses and communities	Childcare; leisure, sport & cultural activities; transport services, community internet facilities.
331	Training & support to facilitate economic activity	To facilitate the other measures	Economic actors in rural areas (but not Leader – this is covered by measure 431)	ICT training; start-up coaching; traditional rural skills; management training to aid farm diversification

## Annex 2: Measures and Allowable Intervention Rates

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

Code	Measure	Maximum Intervention Rate
111	Vocational training & knowledge transfer	Limit of 70% for activities that support commercial outcomes. However, for the food sector, the coverage is drawn from the Block Exemption for Training (regulation 68/2201) so seek further advice as different aid rates may be applicable.
114	Advice and guidance	Defra has restricted this measure to forest holders. Aid can be from 50 – 80% of the advice up to a maximum of 1500 Euros per advisory service accessed.
121	Farm modernisation	Up to 40% of costs (50% in LFAs). There is no upper limit on the amount of grant that can be paid under this measure.
122	Increasing the economic value of forests	Up to 50% of costs (60% in LFAs). Again, no limit on the level of assistance that can be given.
123	Adding value to agriculture	This is somewhat more complex

	and forestry products	and is dependant on whether the beneficiary is an agricultural or forestry business. Aid rates may vary, so seek advice.
124	Co-operating to develop new products, processes & technologies	Aid rates depend on whether the beneficiary is a small, medium or large enterprise
125	Improving agricultural and forestry infrastructure	Agriculture: up to 40% (50% in LFAs). However, aid rates may vary according to levels of commercial return. Forestry: De Minimus rules apply so up to 200,000 Euros in any three year rolling period.
311	Farm diversification into non agricultural activities	Up to 50%. De Minimus rules apply (see measure 125). Limited to farmers or member of farming family.
312	Business creation and development (micro-enterprise)	Up to 50%, depending on rate of commercial return. De Minimus rules apply as above.
313	Tourism	Up to 100% permitted, but should be dependant on rate of commercial return. De Minimus rules apply as above. Some interventions may fall outside State Aid criteria, e.g. footpath improvements in coastal areas.
321	Basic services for rural population / economy	As above, up to 100%. Again, some activity may fall outside State Aid criteria.
331	Training & support to facilitate economic activity	Aid rates will depend on whether the training is general or specific, and will also depend on the location of the beneficiary. Seek advice.

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

### Annex 3: State Aid

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

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

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

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

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

#### Annex 4: Public Match Funding

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

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

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

How can it be used with RDPE?

Public funds cannot be used to match mainstream RDPE funds. However, with the Leader approach, it has been agreed that other public sector match

funding can substitute some or all of the 'private match funding requirements' subject to overall state aid limits. For example, for activities delivered under a block exemption rate (e.g. 70% general training for SMEs), then the maximum public funding including RDPE and the other public funding would be 70%. Private match funding would need to be found for the remaining 30%.

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