

<b>Title of Report:</b>	<b>Update on Village Renewal, Tranche 2</b>
<b>Committee Report Submitted To:</b>	Leisure and Development Committee
<b>Date of Meeting:</b>	15 <sup>th</sup> September 2020
<b>For Decision or For Information</b>	For Information

<b>Linkage to Council Strategy (2019-23)</b>	
Strategic Theme	Accelerating our Economy and Contributing to Prosperity
Outcome	Promoting the Borough as an attractive place to live, work, invest and visit
Lead Officer	Head of Service, Prosperity and Place

<b>Budgetary Considerations</b>	
Cost of Proposal	To be agreed
Included in Current Year Estimates	<b>YES/NO</b>
Capital/Revenue	Capital
Code	
Staffing Costs	No staff cost recoupment is possible

<b>Screening Requirements</b>	Required for new or revised Policies, Plans, Strategies or Service Delivery Proposals.		
Section 75 Screening	Screening Completed:	Yes/No	Date: Not applicable
	EQIA Required and Completed:	Yes/No	Date: Not applicable
Rural Needs Assessment (RNA)	Screening Completed	Yes/No	Date: Not applicable
	RNA Required and Completed:	Yes/No	Date: Not applicable
Data Protection Impact Assessment (DPIA)	Screening Completed:	Yes/No	Date: Not applicable
	DPIA Required and Completed:	Yes/No	Date: Not applicable

## **1.0 Purpose of Report**

**The purpose of this report is to update Members on the outcome of submitted expressions of interest to the Department of Agriculture, Environment and Rural Affairs for extra funding towards further Village Renewal Projects.**

## **2.0 Background**

The Village Renewal Programme is a theme within the Rural Development Programme, provided by the Department for Agriculture, Environment and Rural Affairs, which allows for short term capital interventions in those towns and areas which are within the rural areas of the Borough. It is currently 75% funded by the Department and 25% funded by Council, as per agreement in 2015. Council is the sole applicant and is implementing this measure on behalf of 22 villages in the Borough.

The report to Committee submitted on 21 January 2020 refers, and sections are contained within **Annex A**.

## **3.0 Outcome**

On 11 August Council received the following from the LEADER Implementation Manager.

"In April the Department received advice from the Commission that commitments can be made under the 2014-2020 RDPs up until 2023 and we can receive EU funding until 31 December 2023 or until EU funds are used up (whichever is earlier). You will be aware however, that LEADER funding will be drawn down by the end of the 2021/2022 financial year. In light of the Commission advice other schemes within the RDP will now consider how best to spend out their RDP budget allocations to the end of the programme period".

**"This unfortunately means that we will now not be in a position to fund the EOIs received in January following my email of 3 December 2019.** I apologise for the delay in providing an outcome on the additional funding opportunity. I would be grateful if you would inform both the Council and your LAG Board."

In summary

- Programmes within the wider Rural Development Programme had been forecast to underspend/not commit.
- The received advice from the Commission on programme extension meant that these programmes are now able to spend/commit.
- The opportunity to transfer from other programmes to the local RDP programme has not transpired and therefore, there will not be an opportunity to fund the submitted expressions of interest.

The affected areas are as follows:

- Armoy – est. cost 100k - MUGA
- Dernaflaw – est. cost 100k - MUGA
- Dervock – est. cost 100k - MUGA
- Mosside – est. cost 100k - MUGA
- Drumsurn - £232,545 - replacement of community centre. This project had been agreed much earlier for Tranche 1, however it was delayed because of NIEA request for a bat survey as part of the planning process.

#### **4.0 Impact**

At the time of submission, none of the applicant villages had applied to the Village Renewal Programme except for Drumsurn. The second Tranche allowed those villages that had not applied for the main programme to have the opportunity to try for funding. For these villages the outcome is that no funding is available at all.

For Drumsurn, the impact means that the proposed new portacabin cannot proceed, and equally, there is a loss of PEACE funding of £20,000 - which was allocated to fit-out of the proposed new portacabin. The existing portacabin is no longer fit for purpose, and this will leave the community group with limited accommodation.

#### **5.0 Summary**

Officers have asked Central Government to consider Drumsurn in the first instance for any slippage funding which becomes available – this is because of its advanced state in terms of procurement, and the remaining time in which PEACE funding is available.

Staff have also asked the Department to further consider the remaining expressions of interest which are not as far advanced, but at this stage, still have the commitment of Council match funding.

Finally, the team has also asked the Funding Unit to search for any other funds which could assist any of the expressions of interest at this time.

## **ANNEX A – Excerpts from Committee Report, January 2020**

On 12 December 2019, an email was received from the Department for Agriculture, Environment and Rural Affairs.

“Following the first tranche of additional funding offered to LAGs in May 2019 the Department has decided to go out again to LAGs to find out the scope/nature and value of projects that may be under development or in the pipeline that could be delivered by assistance from the LEADER Village Renewal Scheme.

“The Department at this time has not put a budget figure on the possible funding which may be available and we will wait to see what comes into the Department based on the criteria set out below. This exercise is to determine capital budget requirements only.”

An expression of interest was included, which must be completed by 31 January 2020.

Conditions to be met include:

- Projects will be welcome where they are well advanced in terms of community agreement and *detailed within a Village Plan*.
- Projects, where design is completed or under way, would be particularly welcome.
- Costs at this stage may be indicative (where these are firmed up this would be welcome).
- Title will be a factor in the Department’s consideration on the amount of additional funding to be allocated to the LAG. Any title issues must be detailed in the EOI.
- Timescales will be important and projects must be capable of being delivered within a 12 month period from the cut-off date (i.e. September 2020) for the issue of Letters of Offer.
- Proposals detailed in an Expression of Interest must not be for the purposes of match funding projects that have received funding from Priority 6 or the LEADER Rural Tourism Scheme.
- You will be required to state whether statutory approvals are required. If so, what is the timing for submission of applications etc.
- Grant intervention rate is 75% of eligible project costs.
- Maximum grant available is per the Village Renewal Scheme sheet or the level of funding set by the Local Action Group, which may be lower than the maximum grant quoted in the Village Renewal Scheme Sheet.
- There will be no administration funding allocated against any additional funding provided to LAGs as part of this exercise.
- The Leader Scheme Rules will apply to any additional funding awarded”

### **5.0 Options and Recommendation**

Members are first asked to consider if they wish to pursue the potential funding on offer from the Department, with a cost to Council of 25%, with attention given to the issues mentioned above.

If yes, Members are asked to agree that staff pursue this funding on behalf of Armoey, Dernaflaw and Mosside, identifying any project which is deliverable within the framework set out by the Department. This will also require the agreement of the Local Action Group.

The next step will be to submit the requisite expressions of interest to the Department. Officers will undertake a review of the village plans to ascertain which projects could potentially fulfil the criteria mentioned in the email from the Department.

If Members do not wish to submit extra expressions of interest, in terms of the Drumsurn project, which will require no extra allocation from Council, and is “shovel ready”, it is recommended that an expression of interest is submitted; the outstanding environmental assessment which needs to be completed will be resolved by April; this project’s matching funding is included within the existing allocation from Council.

Given the completion date of 31 January for this action, there will not be an opportunity to revert to full Council for approval. Members may wish to place a cap on the level of match funding which will be required – for example, £100,000 will yield funding of £300,000 if successful.

**All parties stated support and the motion was agreed, with the inclusion of an expression of interest for a MUGA in Dervock.**