



Report to: Development Committee

Subject: Northern Ireland Rural Development Programme

Date: 23 April 2013

Reporting Officer: John McGrillen, Director of Development, ext 3470

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| 1 | Relevant Background Information |
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| 1.1 | Members will be aware that at the Development Committee of 14 November 2007, approval was given for Belfast City Council to cluster with Lisburn City Council and Castlereagh Borough Council for the delivery of Axis 3 of the Northern Ireland Rural Development Programme (NIRDP) under the name the Lagan Rural Partnership (LRP). |
| 1.2 | Council representation on the LRP is based upon the proportion of the resident population eligible for assistance through the NIRDP. On this basis the membership of the LRP is 7 Lisburn City Council, 3 Castlereagh Borough Council and 1 Belfast City Council. |
| 1.3 | In September 2008 a final Rural Development Strategy was submitted to DARD and as used to apportion the funding allocation to the cluster. In January 2009 the final allocation of RDP Axis 3 funding amounting to a total of £8,691,556 was allocated to LRP of which £7,306,576 was to be circulated through grant funding through Axis 3 funding measures. |
| 1.4 | The cluster allocates funding under the following 6 measures: <ol style="list-style-type: none"><li data-bbox="373 1608 679 1637">1. Farm diversification<li data-bbox="373 1641 895 1671">2. Business creation and development<li data-bbox="373 1675 890 1704">3. Encouragement of tourism activities<li data-bbox="373 1709 1099 1738">4. Basic services for the economy and rural population<li data-bbox="373 1742 860 1771">5. Village renewal and development<li data-bbox="373 1776 1058 1805">6. Conservation and upgrading of the rural heritage |
| 1.5 | Calls for funding applications are opened periodically for each of the above measures throughout the duration of the programme. The Department of Agriculture and Rural Development (DARD) requires all funding to be allocated to projects by the 31 December 2013 with all projects completed in full by 31 December 2014. |

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| 2 | Key Issues |
| 2.1 | <p><u>NIRDP Update</u> To date £947,294 of grant funding had been approved by the LRP for projects located exclusively or partially within the Belfast City Council boundary. Key projects funded in the council area includes the following:</p> <ul style="list-style-type: none"> - <u>Sustainable Mountain Bike Trail</u> Led by Belfast City Council this project involves the development of a sustainable mountain bike trail incorporating jump and skills areas within Barnett Demesne and Mary Peters. - <u>Belfast Hills Strategic Tourism Project</u> Led by Belfast Hills Partnership, this project includes the creation of a new pathway and recreation facilities in Cavehill Country Park. - <u>Hannahstown Village Renewal</u> Led by Belfast City Council, in partnership with Lisburn City Council this project delivers environmental improvement scheme in the area of Hannahstown. - <u>Belfast Hills Rural Heritage Project</u> Led by Belfast Hill Partnership this project aims to protect the natural heritage and enhancing access to rural heritage sites in the Belfast Hills. - <u>Divis Trail System</u> Led by Outdoor Recreation NI this project aims to deliver a new 6kms walking and off road cycling trail at Divis and Black Mountain. |
| 2.2 | <p><u>Over commitment</u> To date LRP has committed £7,160,020 of funding to projects located across rural areas of Belfast, Castlereagh and Lisburn resulting in £146,556 of actual grant remaining.</p> |
| 2.3 | <p>However applications received by LRP which have been appraised but yet to be approved for funding indicate further grant requests totalling £781,498.96. If funding for these projects was agreed, this would present an over commitment for the cluster of £634,942.96</p> |
| 2.4 | <p>Following a review of the dropout rate and cost savings incurred on approved projects, the administration team of the LRP has identified an average attrition rate on approved applications i.e. the difference between the amount approved in a letter of offer and the actual amount drawn down for expenditure. If applied to existing approved schemes, this would result in a possible release of £433,866 of committed grant funding. This would still mean a shortfall of £201,076.96 to meet requests for funding. It is important to note that this is an indicative rather than an actual figure. It is possible that the attrition levels could be much lower (or higher) than this.</p> |
| 2.5 | <p>Communication from the managing authority DARD has confirmed although they are not averse to the use of attrition in order to maximise grant drawdown, the financial responsibility of any over commitment would reside with the cluster councils.</p> <p>Should this occur, the financial responsibility for any over commitment would be apportioned to the three councils with Lisburn City Council meeting 7/11 of any shortfall, Castlereagh Borough Council meeting 3/11 of any shortfall and Belfast City Council required to meet 1/11 of any shortfall.</p> |
| 2.6 | <p>Based on an over-commitment of £634,942.96, this would mean a financial</p> |

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| | <p>contribution of £57,722.09 for the Council. On the basis of an over- commitment of £201,076.96, the Council would be expected to pay £18,279.72 towards the costs.</p> |
| 2.7 | <p>Members should be aware that there is a service level agreement, endorsed by the Development Committee, which notes that “in the event that there is any shortfall in the funding of the Joint Council Committee it shall be met in proportion by each of the parties hereto according to Council representation on the Joint Council Committee. Lisburn City Council will meet 7/11 of any shortfall, Castlereagh Borough Council will meet 3/11 of any shortfall and Belfast City Council will meet 1/11 of any shortfall” (See Appendix 1 attached).</p> |
| 2.8 | <p>However it is considered that every effort should be made by the Secretariat to minimise the risk for the cluster councils and that any over-commitment should be avoided. As a result, it is proposed that Belfast City Council writes to the Secretariat to communicate its concerns and to note that it does not wish to make any over-commitment beyond available, existing funds. This proposal would not preclude the opportunity to fund additional schemes through the normal approval process, should additional resources become available from DARD.</p> |

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| 3 | Resource Implications |
| 3.1 | <p><u>Financial</u> The current proposals may require a financial contribution from Belfast City Council, as set out in 2.9, should the Lagan Rural Partnership agree to an over-commitment.</p> |

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| 4 | Equality and Good Relations Considerations |
| 4.1 | <p>There are no specific equality and good relations considerations attached to this report.</p> |

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| 5 | Recommendations |
| 5.1 | <p>Members are asked to:</p> <ol style="list-style-type: none"> 1. Note the contents of this report 2. Agree to the recommendation to issue communication to LRP opposing any over-commitment of funding. |

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| 6 | Key to Abbreviations |
| | <p>NIRD - Northern Ireland Rural Development Programme DARD - Department of Agriculture and Rural Development LRP - Lagan Rural Partnership</p> |

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| 7 | Documents Attached |
| | <p>Appendix 1: Terms of Agreement for the Operation of the Joint Council Committee</p> |