



Report to: Development Committee

Subject: NI Rural Development Programme 2014 - 2020

Date: 21 October 2014

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

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1	Relevant Background Information
1.1	Lagan Rural Partnership is a delivery agent for Axis 3 of the Northern Ireland Rural Development Programme 2007-2013. At the local level, the programme is delivered by a Joint Committee (JC) representing Belfast City Council, Lisburn City Council and Castlereagh Borough Council. It is implemented by a Local Action Group (LAG) comprised of elected members and Social Partner representatives from the 3 council areas. Lisburn City Council acts as the lead council with responsibility for all financial and administrative matters. The current programme comes to an end on 31st March 2015.
1.2	The Partnership has delivered £7.3m funding for projects in eligible rural areas under the following measures: <ul style="list-style-type: none"> – Measure 3.1: Diversification into Non – Agricultural Activities – Measure 3.2: Business Creation and Development – Measure 3.3: Encouragement of Tourism Activities – Measure 3.4: Basic Services for the Economy and Rural Population – Measure 3.5: Village Renewal and Development – Measure 3.6: Conservation and Upgrading of the Rural Heritage
1.3	The total allocation to the Lagan Rural Partnership in 2007-2013 was £8.7m (including £1.4m for administration costs). Current expenditure is £6,523,000 and future spend is profiled as £777,000 to March 2015. Under the current programme approximately £847,000 was secured against five Belfast based projects. They were Divis Ridge Trail (CAAN) (£206,000), Hannahstown Village Renewal (£241,000), Barnett’s Demesne Mountain Bike Trail (£125,000), Belfast Hills Heritage Project (£56,000) and Belfast Hills Strategic Tourism Project (£219,000)
1.4	Officers have been engaging with DARD to determine a proposed Belfast allocation under the new programme. Recent correspondence issued by DARD’s Implementation Manager addressed to all councils sought council participation in the formation of LAGs and JCs to administer the new round of funding.

1.5	DARD has advised that Minister O'Neill has agreed that the Belfast rural area should join with Lisburn and Castlereagh for the administration of the new programme. The Minister is keen that the inclusion of the Belfast rural area in the new LAG will be reflected in its identity and membership.
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2	Key Issues
2.1	DARD officials had originally raised the potential for the formation of a LAG and JC for Belfast as a stand-alone entity, without Castlereagh and Lisburn Councils (within the new council boundaries). However, upon further investigation, they confirmed that the Belfast rural area has a population of 4,756. This is below the minimum level of population required by the European Commission of 10,000.
2.2	In addition, Commission guidance on "Community-led Local Development in European Structural and Investment Funds" notes that a minimum allocation figure of €3m is the threshold beyond which a stand-alone LAG may be viable. DARD advised that, no matter what way they reviewed the Belfast case, there was no chance that the Belfast allocation could come close to this figure.
2.3	While DARD never provided a notional Belfast allocation as part of officer engagement with officials, discussion with Lagan Rural Partnership staff suggests that an approximate allocation for an independent Belfast LAG would have been in the region of £530,000-£630,000. Administering the grant over the period 2014-2021 (allowing 1 year to close the programme) is capped at 25% or maximum £157,500, based on a £630,000 allocation. This would leave £472,500 for project activity over the same period.
2.4	DARD officials have met the senior management team in the new Lisburn and Castlereagh Council and they have confirmed that the council would be content to continue to provide management support for the new LAG area. The proposed allocation figure for Lagan Rural Partnership on the basis of the three council model is estimated at £6,161,000. The funding rate under the new programme is being retained at 50% for private sector and 75% for public sector.
2.5	Measures that can be funded under the new programme include: <ul style="list-style-type: none"> - Rural Business Investment Scheme (for farm based and other rural based businesses) - Rural Basic Services Scheme - Village Renewal Scheme - All Ireland Co-operation Scheme - Rural Broadband Scheme
2.6	DARD will still be the Managing Authority for the new Rural Development Programme for 2014-2020. They will contract with newly formed LAGs representing the agreed rural areas, and the LAGs will, in turn, seek to enter into a service level agreement for related administrative services with the appropriate new RPA led Council for the area (i.e. Lisburn and Castlereagh Council).
2.7	A key European Commission stipulation for the formation of the new LAG is that 'no one single interest group shall represent more than 49% of the voting rights'. In effect this means that public sector representatives (considered as a single group) must not exceed 49% of the makeup of the LAG Board. Equally no one single social partner group could occupy more than 49% i.e. farming, community or business. It also means that public sector representation, defined in this case

	as elected representatives, is a requirement.
2.8	It is expected that, even though elected representatives of the new councils will be minority partners on the LAG Board (49%), the Chief Executive of Lisburn City Council will act as the Chief Accounting Officer. To account for this, a protocol is currently being developed by DARD to protect the governance and accountability liability of each Council tasked with facilitating the new LAGs.
2.9	DARD has communicated a timeframe for the LAG application and appointment process. This suggests that the LAG membership will be finalised by complete 19 th Dec 2014. DARD appointment of the LAG will follow on 30 th January 2015.

3	Resource Implications
3.1	If approved by Committee, there is no direct funding implication and the governance risk concerning underwriting potential future ineligible LAG and JC approved expenditure will be reviewed under a new Service Level Agreement for the partnership.

4	Equality and Good Relations Considerations
4.1	An equality impact assessment will be initiated by the lead council.

5	Recommendations
5.1	Members are asked to note the latest advice received from Minister Michelle O'Neill and consider future participation in Lagan Rural Partnership in partnership with the newly formed Lisburn and Castlereagh District Council.

6	Decision Tracking
Timeline: Formation of the LAG and JC structures to continue to March 2015 Reporting Officer: Colin McCabrey	

7	Key to Abbreviations
<ul style="list-style-type: none"> - DARD – Department of Agriculture and Rural Development - JC – Joint Committee - LAG – Local Action Group - LRP – Lagan Rural Partnership - RDP – Rural Development Programme 	

8	Documents Attached
No documents attached.	