

FLINTSHIRE COUNTY COUNCIL

REPORT TO: ENVIRONMENT OVERVIEW & SCRUTINY
COMMITTEE
DATE: WEDNESDAY, 17 OCTOBER 2012
REPORT BY: DIRECTOR OF ENVIRONMENT
SUBJECT: RURAL DEVELOPMENT PLAN AND EUROPEAN
STRUCTURAL FUNDS

1.00 PURPOSE OF REPORT

1.01 To update Members on the progress made in implementing the Rural Development Plan for Wales (RDP) 2007-2013 in Flintshire and to provide briefing material on the current position with European Structural Fund programmes and on the future development of European programmes.

2.00 BACKGROUND

2.01 The RDP is part of the Common Agricultural Policy and is supported by both European Commission and Welsh Government funding. It has four major objectives, called Axes, aligned to the Commission's priorities for rural development. The purpose of each Axis is as follows:

Axis 1 – to improve the competitiveness of the agricultural and forestry sectors.

Axis 2 – to improve the environment and the countryside

Axis 3 – to improve the quality of life in rural areas and to diversify the rural economy.

Axis 4 – to pilot innovative projects that address Axes 1, 2 and 3.

2.02 The County Council acts as the Lead Body and has responsibility for overseeing the implementation and reporting of Axis 3 projects. Cadwyn Clwyd is responsible for the delivery and reporting of all Axis 4 projects.

3.00 CONSIDERATIONS

3.01 Rural Development Plan

All four Axis 3 projects commenced at the beginning of March 2011 and, for the time being, will run until the end of December 2013. Two of the projects (Flintshire Enterprise Project and Flintshire Community Key Fund) are delivered by Cadwyn Clwyd. The County Council has the responsibility for delivering the other two projects (Linking Flintshire's Communities and Town & Village Streetscape

Enhancements).

- 3.02 The Flintshire Enterprise Project has approved 26 bursary applications to date, with a total value of £67,027. New businesses that were supported during this quarter include a nutritionist, a cake maker and a childcare support worker. Due to elements of this scheme potentially duplicating the Welsh Government's young entrepreneurship schemes, this project has withdrawn some forms of support leading to a de-commitment £32,000 of RDP funding. This funding can be re-allocated to other Flintshire Axis 3 projects.
- 3.03 The Linking Flintshire Communities project has now selected the routes and linkages to be implemented. Schemes in Gronant, Talacre and Mostyn will link to major strategic networks, such as the All Wales Coastal Path, and provide connections with other settlements. The first phase of work on the Mold-Sychdyn/Northop-Flint cycleway has now been completed. The total cost of the scheme was nearly £267k and was funded through the Regional Transport Plan, which is the match funding element towards the RDP funding. For the phases of the cycleway will also be funded through the Regional Transport Plan monies.
- 3.04 Under the Flintshire Community Key Fund, the majority of projects have been to renovate and improve rural villages and community buildings. Up until the end of August, 21 schemes had been approved totalling £380,690 with a RDP contribution of £285,509. This project recently had Welsh Government approval to vire £90,000 from a revenue budget to a capital budget. This will allow additional capital enhancement schemes to be funded, as the demand to date for this support has been extremely high.
- 3.05 As part of the Town and Village Streetscape Enhancement (TVSE) project, regeneration schemes are being scoped and explored for Holywell, Mold and Talacre/Gronant. The project includes a grant scheme to improve the appearance of properties in each area and there have been 48 enquiries made with one full application having been approved and eleven expressions of interest being developed further. The value of the regeneration projects will total £580,000 whilst the grant scheme has a total value of £150,000.
- 3.06 The Axis 3 quarterly progress updates (Appendix 1) and the financial spreadsheets (Appendix 2) relate to the period **1st June to 31st August 2012** for the Business Plan 2 projects. The appendices provide more detail on the activity and the financial situation of each project.
- 3.07 In September the Welsh Government invited Axis 3 and Axis 4 projects to consider applying for an extension to the deadline for expenditure (currently December 2013), and/or additional funding. The additional funding available however is only for revenue activity

and the majority of Flintshire's Axis 3 projects are capital. Initial indications from the four projects are that the projects will proceed as follows:

- Flintshire Enterprise Project – extend to end of 2014 and request extra £48,000 of RDP funding
- Linking Flintshire's Communities – extend to end of 2014, no request for further funding
- Flintshire Community Key Fund – extend to middle of 2014, no request for further funding
- TVSE – extend to end of 2014, no request for further funding

3.08 During the latter part of 2011 and the early part of 2012, the Council's Internal Audit Division undertook an audit inspection of the RDP programme management systems and procedures. Specifically the audit was designed to assess the controls in place to manage a number of specified risks and objectives. The overall conclusion of the report was that "taking account of the issues identified, in our opinion the Board can take substantial assurance that the controls upon which the organisation relies to manage this risk, as currently laid down and operated, are effective". A copy of the Audit report is available in the Members Services room for inspection.

The County Council submitted a rural transport project proposal under Axis 4 which was approved by Cadwyn Clwyd in November 2011. The project aims were to assist local people in identified rural communities to access work, training and social opportunities by providing more flexible public transport services at times of the day when no conventional transport is available. The emphasis was on work related journey opportunities.

Following major cuts in funding for transport services announced by the Welsh Government in February 2012 it was not considered feasible or practicable to deliver the approved project within timescales or budgets due to the potential impacts of the proposed cuts on our existing passenger transport services. The Welsh Government suspended the proposed cuts pending the outcome of a national Bus Funding Review which has yet to be finalised.

Following further discussions with Cadwyn Clwyd a revised proposal has been submitted to identify a baseline of need for transport services in rural areas in Flintshire which will assist in preparing any future rural transport proposals and inform the County Council's review of bus services.

3.09 European Structural Funds

The current Structural Fund programmes in Wales have now mostly committed their funding for this period (2007-13) with remaining spend taking place until the end of 2015. A summary of the programmes as they stand now is appended (Appendix 3).

3.10 Development work is underway at the European and Welsh Government levels for the next round of programmes (2014-20). It is likely that Flintshire will be able to benefit from Structural Fund support in the next period but the development process is still at an early stage.

4.00 RECOMMENDATIONS

4.01 It is recommended that Members note the progress in implementing the Rural Development Plan in Flintshire and the briefing material on European Structural Funds.

5.00 FINANCIAL IMPLICATIONS

5.01 There are no significant changes to the financial implications since the previous report. The County Council continues to provide funding to support Cadwyn Clwyd's core costs (£17,000 p.a.) and to match fund rural projects (£18,000 p.a.). In addition the Council also underwrites the match funding for the Business Plan 2 projects. This comprises Axis 3 projects with a match value of £524,000 and one Axis 4 project with a match value of £473,000.

6.00 ANTI POVERTY IMPACT

6.01 The measures included within the RDP have been identified to assist rural areas, address deprivation and weaknesses such as low productivity, employment, local economic activity rates, the existence of pockets of social exclusion and poor access to services. The programme and the Business Plan projects will therefore make an important contribution towards sustaining communities in rural Flintshire.

7.00 ENVIRONMENTAL IMPACT

7.01 Support will be given to those projects that help to conserve and make the best use of the area's natural and built environment. Environmental sustainability is one of the cross-cutting themes for the programme and all projects will need to integrate this into their design and delivery and their impact will be monitored.

8.00 EQUALITIES IMPACT

8.01 Axes 3 and 4 have measures which aim to increase participation in community life, assist in establishing and expanding community-led initiatives and maximise the contribution to the economic, social, environmental and cultural regeneration of rural areas. Equal opportunities and social inclusion are cross-cutting themes for the RDP and all projects and contracts will need to integrate these into their design and delivery and their impact will be monitored.

- 8.02 The Welsh language is also a cross-cutting theme for the RDP and all projects and contracts will need to integrate this into their design and delivery and their impact will be monitored.

9.00 PERSONNEL IMPLICATIONS

- 9.01 The administration and management role of the Lead Body requires considerable staff time to ensure robust programme and project management. Funding is available from the RDP to provide staff resources to manage the programme.

- 9.02 The Project Support Officer for the Lead Body has been seconded to the Project Officer position for the Town & Village Streetscape Enhancement project. A replacement has not been appointed as this position will be deleted and replaced with a new position under the Regeneration Service Review.

10.00 CONSULTATION REQUIRED

- 10.01 Rural ward members, rural town and community councils, public sector agencies and voluntary and community groups will play a key role in implementing the programme and have an opportunity to be involved in many of the projects to be undertaken.

11.00 CONSULTATION UNDERTAKEN

- 11.01 Consultation has been very wide in developing the themes and projects for the programme. Individual project delivery organisations have been undertaking their own consultation to develop their specific projects. The County Council has utilised a wide range of publicity methods including a launch event, a project publication, articles in local newsletters, development of a website and attending various events to promote the programme.

12.00 APPENDICES

- 12.01 Appendix 1 – Axis 3 Quarterly Progress Report
Appendix 2 – Axis 3 Financial Report
Appendix 3 – European Structural Funds Briefing

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS

Rural Development Plan for Wales 2007-2013 (WG)
Rural Development Strategy for Flintshire
Flintshire Business Plan 1 2008-2010
Flintshire Business Plan 2 2011-2013
Final Audit Report 01/02/12

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