

## **MERSEY RURAL LEADER LAG EXECUTIVE MEETING**

**Monday 26<sup>th</sup> September 2016, 2:30pm**

**Location:** World of Glass, Chalon Way, St Helens, WA10 1BX.

**Chairperson:** David Shaw (University of Liverpool)

**In attendance:** Andrew Carey (Rural Leader Programme Officer)  
Ross Clark (Private business)  
Erica Edwards (Mersey Travel)  
Frank Egerton (Sefton Council)  
Olly Harrison (Private business)  
Ann-Louise Hartley (Private business)  
Jonathan Jackson (Rural Leader Programme Manager)  
Juggy Landay (Wirral Council)  
Louise O'Brien (Halton Council)  
Carl Smethurst (Mersey Forest)  
Laura Sumner (Private business)  
Helen Sweeney (Private business)  
Helen Wainwright (NFU)

**Apologies:** Michael Baker (Rural Payments Agency)  
Keith Hackett (Private business)  
Vicky Corcoran (Private business)  
Irene Johnson (Knowsley Council)  
Ian Lawrence (Private business)  
John Quirk (St Helens Council)  
Richard Shacklady (Private business)

### **Agenda:**

- Minutes of the last meeting
- Conflicts of Interest
- Brexit and implications for the rural economy
- Current situation, leading up to the autumn statement on 23<sup>rd</sup> November 2016
- Forestry discussion with Carl Smethurst of Mersey Forest
- Full Applications
- Outline Applications
- Any other business
- Next LAG Exec meeting

### **Minutes of the last meeting**

AC sent out the minutes of the previous meeting held on 11<sup>th</sup> July 2016. The minutes were approved as a true record of this meeting. There were no matter arising that were not being covered elsewhere on the agenda.

### **Conflicts of Interest**

AC asked all LAG members if there were any conflicts of interest with any of the applicants whose applications will be discussed at the meeting. No conflicts were recorded.

### **Brexit and implications for the rural economy**

DS provided the LAG Executive with an update on the LEADER scheme following the EU referendum result:

- After a delay in accepting applications or issuing grant funding agreements, the scheme was given the go-ahead to restart activities on 24<sup>th</sup> August.
- The main priority for the scheme now is to ensure as many eligible applications are processed as possible to ensure funding is guaranteed before any possible delays as a result of the Autumn Statement on 23<sup>rd</sup> November 2016.
- A meeting was held at the Liverpool LEPs office on 7<sup>th</sup> September 2016 to discuss rural funding in the City Region. It was announced that a Brexit group has been set up to look into the implications of this on funding and this includes the rural economy.
- A meeting was held at the Liverpool LEP with Louise Maguire of the RPA to determine the levels of funding provided to the LCR in terms of European CAP funding including single farm payments and any specific agro-environmental scheme payments. These were currently being calculated by Defra.

### **Current situation, leading up to the autumn statement on 23<sup>rd</sup> November 2016**

JJ confirmed that all GFAs must be signed by the Combined Authority by 22<sup>nd</sup> November to secure funding. JJ also confirmed that potential applicants will be invited to submit both Outline and Full applications in order for them to meet this deadline, if at all possible.

It was noted that nobody really had any idea as to what would happen after this date and was agreed we needed to get as many projects approved as possible, ensuring that they met the expectations of our LDS in terms of contributing to the rural economy in terms of jobs and growth and offered good value for money.

### **Forestry discussion with Carl Smethurst of Mersey Forest**

CS provided an example of a business that could benefit from LEADER funding under the Forestry Priority Area. A wood workshop in Sefton using locally felled timber to make small items of furniture is looking to expand by moving to another site and bringing in more trainees. The organisation is also currently looking at bringing in timber from elsewhere and make higher value products.

A suggested idea for a project has already been discussed with the Mersey Forest. However, the main issue with this proposal is that the project will mainly produce apprenticeships as opposed to FTE jobs and therefore will not be eligible for LEADER funding.

In conclusion, there appears to be no potential applicants in a position to submit a proposal under the Forestry Priority for the November deadline. CS advised that the key is to find SMEs or social enterprises who are looking to start-up/expand in forestry sector. The LAG will keep in touch with Mersey Forest and will work together on preparing a call for proposals following the outcome of the Autumn Statement, assuming the programme continues as expected .

### **Full Applications**

There were three Full Applications to be appraised.

**Full Application: Improving Sprout Productivity (Mr James Heyes)**

**Priority Area 1: Increasing Farm Productivity**

This proposal was approved via written procedure and AC informed the Executive that the offer letter had now been sent to the applicant. JJ reiterates that decisions on applications via written procedure should only be in exceptional circumstances. The RPA agreed with taking this route for this particular project on the basis that the harvesting season for the Christmas season was imminent and the GFA needed to be dispatched as soon as possible to allow the applicant to begin work.

**Full Application: E-Scape Servicing Workshop (Mr Stuart Rutter)**

**Priority Area 2: Support for SMEs (non-agricultural) and farm diversification**

Construction of a large workshop to allow for an electrical bike operation assembly. This will include space for training purposes and extra storage facilities. The applicant aims to become a national base for these types of bikes and develop franchises around the country. The applicant has received funding from the LEADER scheme before as a start-up business and this time is requesting an amount of £39,978 with the potential of creating a further 5 FTE positions.

During the appraisal process concerns were raised regarding the financial position of the applicant. Although gross profit was strong, the overheads were quite high but it was concluded by the Executive that this expansion would help the business diversify and make it more profitable.

**Conclusion:** The Executive agreed that the project should be allowed funding of up to £39,978 once planning permission is approved and on the condition that the proposed outputs will achieve the creation of 5 FTE positions.

**Full Application: Hope Farm Microbrewery (Mr Jon Brindle)**

**Priority Area 2: Support for SMEs (non-agricultural) and farm diversification**

The proposal includes the construction of a building to be used as a microbrewery. The applicant is looking to produce bottled premium quality lager to supply higher-end outlets while the microbrewery will also provide a tasting/function room for visitors. The grant request is for £38,000 with the creation of 3 FTE positions.

**Conclusion:** The Executive concluded that the applicant needs to provide more detailed information before a decision can be taken. It has invited the applicant to re-submit their application with the following included:

- A detailed market research report demonstrating need/potential demand/feedback;
- Finalised quotes as per the LEADER schemes procurement procedures;
- More detailed timescales for job creation as well as clear definition of roles.

**Actions to be taken:**

- Appraisal forms for James Heyes & Sons and E-Scape to be signed on behalf of the LAG Executive – DS
- Applicants to be notified of LAG Executive's decision – AC

### **Outline Applications**

There were three Outline Applications to be appraised.

### **Outline Application: JMB Farming (Mrs Margaret Berry)**

#### **Priority Area 1: Increasing Farm Productivity**

This will involve the construction of a 1000-ton refrigerated potato store capable of storing the crop for nine months. The store will give the business increased continuity of supply and enable it to use its own grown potatoes rather than relying on purchasing. A grant of £40,000 has been requested. The investment will lead to the creation of 2 FTE positions and will help increase turnover by up to £150,000 per annum. The applicant initially applied for funding through the Countryside Productivity scheme but was rejected as a non-controlled atmospheric storage facility for potatoes was not considered eligible. However, this is not the case under the LEADER scheme.

**Conclusion:** The Executive unanimously supported the proposal and invited the applicant to submit a Full Application. The applicant received LEADER funding in the previous round and achieved all proposed outputs.

### **Outline Application: Thornton Manor (Mr Craig Robson)**

#### **Priority Area 2: Support for SMEs (non-agricultural) and farm diversification**

Thornton Manor would like to convert a large greenhouse on its grounds into a bistro to provide a restaurant service to its guests on-site. Planning permission has been applied for and expect a reply imminently. A grant of £34,000 has been requested. The applicant aims to create around 12 FTE positions and expects to increase turnover by £400,000 per annum as a result.

**Conclusion:** The Executive unanimously supported the proposal and invited the applicant to submit a Full Application. Concerns were raised however about whether the costs involved are realistic, whether the development will be difficult to maintain and the financial viability of the business moving forward needed clarifying.

### **Outline Application: Claremont Farm (Mr Andrew Pimbley)**

#### **Priority Area 2: Support for SMEs (non-agricultural) and farm diversification**

The business is a previous recipient of LEADER funding and would now like to expand its café area as well as its catering service as they are struggling to keep up with demand with the space they currently have. A grant of £40,000 has been requested and 6 FTE positions will be created.

**Conclusion:** The Executive unanimously supported the proposal and invited the applicant to submit a Full Application. Concerns were raised about accessibility to the upstairs area and whether planning permission would be difficult to obtain.

#### **Actions to be taken:**

- Appraisal forms to be signed on behalf of the LAG Executive – DS
- Applicants to be notified of the LAG Executive's decision – AC

### **AOB**

Rural Growth Fund: The total amount available from this fund is approx. £350,000. A call for this has been prepared but will wait until the Autumn Statement for a final decision on when this will be issued. The aim for this scheme will be to create high skilled jobs in the rural economy. Any interested applicants would send their Outline application to the ESIF Committee for approval with the RPA making the final decision on funding.

**Next Meeting**

The next meeting of the LAG Executive is planned for Monday 14<sup>th</sup> November 2016 at a venue TBC.

It was agreed that this would be an exceptional meeting designed to ensure that any projects could be signed off before the autumn statement. JJ and AC to work with applicants and Defra to ensure applications come in as early as possible so they can be appraised and considered by the committee.

**Actions to be taken:**

- Venue to be identified for the next LAG Exec meeting in November – AC.