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SEMLEP RURAL INCLUSION PLAN 2015

1. CONTEXT

The South East Midlands Local Enterprise Partnership (SEMLEP) Rural Plan underpins the priorities identified in the Social Inclusion Strategy, which supports the SEMLEP Economic Plan (SEP) and the European Structural Investment Funds (ESIF). There is a requirement of the Local Enterprise Partnerships to review ESIF strategies in line with confirmed outputs deadline 5th November 2015. The Rural steering group has taken this opportunity to refresh this strategy to ensure relevancy and to feed into the ESIF revisions.

The rural economy plays an important role in SEMLEP with 25% of people and 35% of VAT registered enterprises based in areas defined as rural. Partners are keen to ensure that our fund resources (ERDF, ESF and EAFRD) are used effectively to maximise economic impact, deliver value for money and support strategic interventions in our rural areas to deliver our vision.

On a national scale, the rural agenda remains highly relevant particularly in light of the 10-point plan announced in September 2015 by the Conservative Government which aims to ensure that rural areas are fully connected to the wider economy. This re-affirmed Government's commitment to securing thriving and growing rural communities, with a focus on three key priorities: economic growth, rural engagement and quality of life.

As a result of the work that SEMLEP has undertaken six priorities have been identified within the SEMLEP ESI Fund Strategy covering both urban and rural areas across the whole of the South East Midlands. Our main ERDF and ESF funds, estimated £75.2m SEMLEP allocation, will be deployed across the whole SEMLEP area to deliver, innovation, R&D, business support and expertise development. This is in conjunction with the labour market interventions already planned under our Strategic Economic Plan, skills strategy, apprenticeships plan and sector specific strategies (e.g. logistics), etc.

Our approach to the rural specific fund (EAFRD) meanwhile, has been to concentrate our allocation of approximately £4.2m on supporting investment in the most important and strategic rural issues that will complement and add value to our ERDF/ESF funds namely;

- Where there is a particular need for investment,
- Where alternative sources of funding are particularly scarce
- Where we can maximise the return on investment.

Please refer to Appendix B for the SEMLEP EAFRD call off schedule.



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The aim of this document is to rural proof the various SEMLEP strategies by setting out the overarching priorities to ensure economic, environmental and social sustainability across the SEMLEP geography.

2. RURAL PROOFING

SEMLEP acknowledges the requirement to consider the rural impacts of their policies and programmes and, where necessary, to make adjustments to achieve equally effective and successful outcomes for individuals, communities and businesses in rural areas.

The SEMLEP area contains a range of settlement sizes from small and larger villages through market towns to large urban settlements. It is well recognised that people and businesses in rural areas experience different challenges to those in urban areas, even while some obstacles apply similarly to both urban and rural. This inclusion plan aims to ensure that SEMLEP's strategies and project themes are rural proofed to ensure fairness.

Rural Proofing does not require exactly the same outcome or the provision of exactly the same level of service in rural as in urban locations. This would not be practical in many cases, as the costs would be prohibitive, however, it is important to consult and engage with rural communities to ensure that an up to date clear picture of need is known. Policies and programmes should be sufficiently flexible to apply fairly in rural areas and to deliver quality services that meet community's everyday needs.

3. RURAL PRIORITIES AND COMMUNITY ASPIRATIONS

The specific challenges that face rural life are remarkably similar across the whole country. In order to develop an investment strategy that meets the needs of both urban and rural areas, it is important to develop a set of priorities that address these specific challenges, as follows:

Economic Priorities

- Grow the local food and drink economy, tourism, agriculture (and other land based industries) including forestry as the heart of a sound rural economy.
- Encourage rural business development to provide sustainable local employment to meet changing demographic needs.
- Work with partners, rural businesses and communities to support superfast broadband and digital connectivity through extending the infrastructure, with one example being via small scale innovative initiatives.

Social Priorities

- Support initiatives where possible to increase affordable social – housing
- Improve access to rural business support, apprenticeships and training to meet local needs
- Support rural communities to retain, improve and develop the shops, rural services and community assets they need



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- Promote capacity to ensure that rural communities have access to viable, effective and innovative community transport.

Environmental Priorities

- Encourage innovative carbon reduction and resource efficiency initiatives
- Support the conservation and enhancement of the natural environment, particularly in areas of significant landscape and/or biodiversity value

4. KEY AREAS OF INTERVENTION

Working with rural partners SEMLEP have identified a number of priorities within the ESIF which are supported by the Social Inclusion Strategy objectives that together represent a consolidated approach to rural issues.

Economic

SEMLEP will apply support and investment to help address the challenges rural businesses encounter to enable them to reach the wider business sector. In the South East Midlands, the local food and drink sector and the visitor economy are of growing significance to the rural economy and provide excellent growth opportunities. There are also opportunities to develop the knowledge economy, particularly in rural hub towns and other areas with the necessary broadband and 4G (and beyond) infrastructure. Key interventions under this priority could include:

- Support start-up and development of SMEs in rural locations to help strengthen and diversify the rural economy.
- Facilitate the diversification of rural business and the re-use of redundant buildings
- Promote the development of opportunities for purchasing and consuming locally produced food and drink
- Develop the visitor economy
- Introduce new techniques and efficiencies to rural industry, and promote interaction between business and Higher/Further Education
- Invest in skills and education, including access to agricultural apprenticeship schemes to encourage and increase the skill level of young entrants into the industry; enabling high growth companies to develop their higher level skills by accessing management, leadership, entrepreneurship and innovation training; and support to cover the training cost of initial certification, which incur considerable one-off costs for new entrants into rural industry
- Ensure that business support and innovation programmes funded through SEMLEP's ERDF allocation reach out to rural businesses and address their specific barriers to growth

On a strategic and business level these types of initiatives will ensure that the benefits stay in the local community rather than jobs going elsewhere – for example a livestock farm could decide to use the internet to start selling meat locally, and will hence need to employ butchers, packers,



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distributors, marketing and advertising staff. Without the development of this local supply chain some or all of this activity could be transferred outside of the SEMLEP area.

SEMLEP and partners have considered the issue of **broadband access** within our rural areas and understands that the funding of 'hard-wiring' could be difficult to invest given State Aid issues. We will therefore initially use some of our investment to provide additional innovative access and demand stimulation support for rural communities that do not have access to superfast broadband. Activity proposed under this programme will align with any national activities like the BDUK pilot scheme, Rural Community Broadband Fund. Broadband and GPS access would have substantial benefits to Farmers ensuring productive time management and enhance the ability of farms to act as hubs for many other SMEs. There are innovative wireless and satellite based solutions which can be the most sustainable solution for isolated work places and housing, again here activities will be aligned to any national programmes such as the Local Authority/ BDUK satellite scheme for premises with infrastructure not able to provide at least 2 Megabits Per Second.

Social

Although funding constraints may not enable SEMLEP to impact some social priorities it is important to flag up these issues by saying that as a Local Enterprise Partnership we will;

- Promote increased access to affordable housing for local people in villages, where the housing mix is contributing to a rapidly ageing population and raising concerns over sustainability
- Support the viability of local rural services where they provide a benefit in terms of community cohesion and helping money to circulate in the local economy, and support the development of service enterprises
- Ensure that skills, employability and back-to-work programmes funded through SEMLEP's ESF allocation reach out to disadvantaged rural residents and address their specific barriers to participation
- Encourage investment in community transport enabling residents without their own transport to access services to employment

Environmental

SEMLEP's publication "*It's the Economy, Naturally*" highlighted that the natural environment is an enabler of economic growth. SEMLEP will ensure that the natural environment is conserved and enhanced during the course of this plan by investing in Green Infrastructure as part of an integrated approach to sustainable development, and building the capacity of local communities (including priority groups) to care for their environment. We will also support businesses and other organisations to seek external funding for environmental stewardship and Green Infrastructure in order to maximise the value of our investment.

We will complement the activities identified in our Low Carbon Innovation and Resource and Energy Efficiency programmes by using investment to support small scale energy generation projects within rural areas. This could include schemes that extend the existing national Rural Community Energy



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Fund. We will work with relevant stakeholders, such as the Forestry Commission and Natural England, to identify a pipeline of suitable schemes. For example, this could include schemes looking to maximise local biomass supply chains to support the multi fuel power generation plans and investment in schemes to increase the uptake of renewable energy technologies and resource efficient practices within rural SMEs operating in the LEP's priority sectors.

In conclusion

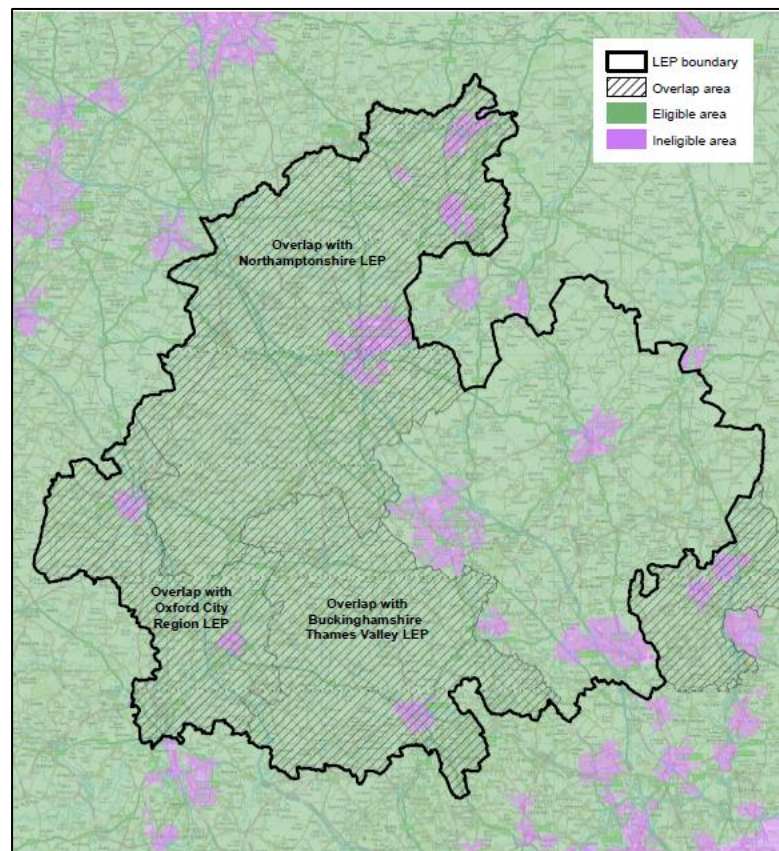
The priorities and aspirations contained within this rural inclusion plan are supported by SEMLEP and we will work with partners to help provide the signposting and support needed to ensure a vital rural economy. However, some of the aspirations require a larger investment commitment than is possible under the ESIF programme, namely transport, social housing and broadband. We will, therefore aim to invest, where possible, in innovation and on a smaller scale projects, that add value to wider strategic investments and programmes.. It is important to share best practice with regard to these pilot or prototype schemes and SEMLEP will endeavour to make information available within conflict of interest guidelines.

5. LEADER COVERAGE ACROSS SEMLEP (Appendix A)

The main rural development programme managed by DEFRA has allocated £138m to the next round of the LEADER 2014-2020 programme due to start in 2015. This programme has just been agreed and we estimate that £6-7m will be allocated to LEADER groups within the SEMLEP patch.

The main priorities for investment through LEADER have been confirmed as:

1. Increasing farm productivity
2. Micro enterprises and farm diversification
3. Rural tourism
4. Increasing forestry productivity
5. Rural Services
6. Cultural and heritage activity



DEFRA – eligible areas for EAFRD across SEMLEP area

DEFRA expects that 70% of all



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projects must directly support the rural economy (eg. through creating and developing micro and small sized rural businesses). The remaining 30% of projects will also need to demonstrate that they are contributing to improving the local rural economy by, for example, increasing visitors to a particular area or providing an essential rural service.

It is likely that the LEADER Local Action Groups (LAGs) will be open for business in October 2015. Continued investment will support land based agricultural businesses to increase the percentage of farm income derived from the marketplace; boost productivity and sustainability; and contribute to the long term economic growth and employment creation in the sector.

There is an acknowledged requirement by both the LEP and the LAG that a close collaborative relationship will be needed to ensure that projects and initiatives are not developed in isolation. In the lead up to the launch of the LEADER programme SEMLEP, via the rural steering group, have been engaging with the six LAGs across our geography to ensure that project development for both funding streams are aligned. All six LAGs are represented on the rural steering group and there is a similar arrangement with a SEMLEP representative at LAG meetings. The projects that will be funded through the LEP ESIF programme are likely to be larger in value compared with smaller LEADER initiatives. EAFRD funds are to be released in tranches whilst LEADER funding is open and available for the duration of the programme. So a network of support and signposting will be put in place to ensure that project leads are directed to the most appropriate fund.

All LEADER groups have set priorities that are pertinent to their locale within their local development strategies, however, one priority is common in all calling for investment to escalate the development, growth and enhancement of the Local Food and Drink sectors. For further information on the individual LAG priorities please contact:

Greensand Ridge LEADER Programme

Contact: Ian Campbell ianc@bedsrcc.org.uk

Website: www.bedsrcc.org.uk/greensand-ridge-local-action-group/

The Bedfordshire & Huntingdon Claylands LEADER Programme

Contact: Ian Campbell ianc@bedsrcc.org.uk

Website: www.bedsrcc.org.uk/bedfordshire-huntingdonshire-claylands-lag

The Clay Vales LEADER Programme

Contact: Mike Furness mike.furness@ngagesolutions.co.uk

Website www.leader-programme.org.uk

The Chilterns

Contact: Mike Furness mike.furness@ngagesolutions.co.uk

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The North and West Northamptonshire LEADER Group Partnership (N&WN LEADER)

Contact : Mike Furness mike.furness@ngagesolutions.co.uk

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Oxfordshire LEADER Programme

Fran Walker Fran.Walker@southandvale.gov.uk

Website www.oxfordshireleader.org.uk

6. LOCAL NATURE PARTNERSHIPS ACROSS SEMLEP (Appendix C)

1. NATIONAL CONTEXT

Local Nature Partnerships (LNPs) are partnerships of a broad range of local organisations, businesses and people who aim to help bring about improvements in their local natural environment. A key part of this role involves being a local champion for the natural environment, influencing decision making, and making sure that the value of the natural environment and its value to social and economic outcomes is taken into account in local decisions.

2. SOUTH EAST MIDLANDS

Across the South East Midlands, there is a strong track record of local environmental activity and leadership, and an outward looking approach by the environmental sector. There are four Local Nature Partnerships (LNPs) covering the South East Midlands area:

- Bedfordshire Local Nature Partnership
- Buckinghamshire and Milton Keynes Local Nature Partnership
- Northamptonshire Local Nature Partnership
- Oxfordshire Local Nature Partnership

Since the publication of *'It's The Economy, Naturally'* (Link: www.semlep.com/green-economy) SEMLEP has continued to strengthen its relationships with the four LNPs including working together to complete Level 1 of the Local Environmental and Economic Development toolkit to review and inform SEMLEP's European Structural Investment Framework Strategy. This has resulted in the prioritisation of developing a low carbon economy, and of delivering green infrastructure to underpin growth in SEMLEP's European Structural and Investment Fund Strategy, to ensure the natural environment plays a key role in delivering our priorities on skills, business support and jobs growth in a sustainable way. SEMLEP now facilitates quarterly meetings where all four LNPs meet with the LEP to share information on current projects and future plans. This provides a platform for sharing information and helping to shape the priorities and activities of SEMLEP.

Please refer to Appendix C for more information about the four Local Nature Partnerships.