



	Initials/Actions
<p><b>Cheshire East LEADER Executive Board Meeting</b> <b>East Committee Room, Municipal Buildings, Crewe</b></p>	
<p><b>Board Members Presents:</b></p>	
<p>Philip Posnett (Haughton Hall) (Vice Chair)</p>	PP
<p>John Heselwood (Cheshire Community Action)</p>	JH
<p>Mike Gorton (Farmer)</p>	MG
<p>Robert Parton (Church Minshull Marina)</p>	RP
<p><b>Officers/Advisors Present:</b></p>	
<p>Mandy Sibthorpe (Cheshire West &amp; Chester Council)</p>	MS
<p>Joanna Douglass (Cheshire West &amp; Chester Council)</p>	JD
<p>Sean Bell (Cheshire West &amp; Chester Council) (Minutes)</p>	SB
<p>Rachel Bolton (Skills &amp; Growth Company)</p>	RB
<p><b>1. Welcome and Apologies</b></p>	
<p>Apologies had been received from Sharon Angus-Crawshaw, Andrew Jackson, Janet Maughan, Ellie Morris, Nicola Said, Steve Wilkinson, Cllr Macrae and Sheila Woolstencroft</p>	
<p><b>2. Minutes of Previous Meeting</b></p>	
<p>All Board Members confirmed they were happy with previous minutes, no matters arising.</p>	
<p><b>3. Conflicts of Interest</b></p>	
<p>RP declared that he was the applicant involved in project 104517.</p>	
<p>MG declared that he was receiving a Growth Programme grant for a project similar to project 104502; the Board agreed this was not a significant enough conflict to warrant exclusion from the decision-making process.</p>	
<p><b>4. LEADER Update</b></p>	
<p>The reporting template used at LAG and Executive Board meetings had been updated with the following changes to improve clarity:</p>	
<ul style="list-style-type: none"> <li>- 'Outline Applications' removed as most OAs received are processed almost immediately, making the column redundant</li> </ul>	
<ul style="list-style-type: none"> <li>- 'Withdrawn' column for individual stages removed</li> </ul>	
<ul style="list-style-type: none"> <li>- 'Financially complete' column added in order to differentiate between projects that had been contracted for funding, and those that had been fully implemented and received their grant.</li> </ul>	
<p>Key points from the update included:</p>	
<ul style="list-style-type: none"> <li>- The LAG was still on course to overspend against its grant claim forecast for the financial year 2016-2017.</li> </ul>	

- The LAG had not quite met its job creation target for the financial year 2016-2017, but the influx of projects approved following confirmation of LEADER's future following the EU referendum provided a strong head-start to 2017-2018 that brings the LAG back in line with its targets and will likely over-achieve.
- Enquiries had been made with the RPA regarding virement of funds between priorities, but no guidance had yet been received.

## 5. Projects for Consideration

### 5.1 – Project 104502

The applicant is a large dairy farm in Congleton, looking to increase its income due to current conditions in the dairy sector. The project involves the purchase of a milk vending machine and pasteuriser in order to sell pasteurised milk directly to the public. The vending machine will be situated on a well-used through-road, and will include an area where passers-by can pull in. The applicant has demonstrated an extensive amount of research into the project; discussions with other farms that had carried out similar projects yielded a great deal of positive feedback. The project will create 1 FTE job, working with the new equipment as well as general farm duties.

MG queried if this project would cause any issues with the applicant's dairy supply contract; MS explained that the applicant had recently changed contractor in order to get a better price for their milk, and that this project was discussed and approved by the new contractor.

PP confirmed that all voting members present were happy to approve the project for funding as per the Appraiser's recommendation; all were in favour.

### 5.2 – Project 104287

The applicant designs and produces lasers for the cosmetics industry, initially operating globally but withdrew from the export market due to cheaper overseas competition. They have since designed a new range of products that are more competitively priced, and plan to use them to return to the export market. In order to facilitate this, they require funding to increase their manufacturing capabilities and provide training to clients in the use of the equipment.

The project will create five FTE jobs; a Sales and Marketing Director, Clinic Manager, and three Production Engineers. This averages £17,125 of grant funding per FTE created; higher than the suggested average of £12,263 for this measure within Cheshire East, but supported by the fact that the jobs being created would be highly-skilled. The RPA benchmark is currently £25,000 of grant funding per FTE job created.

The LAG noted that the export aspect of the project and the creation of highly-skilled employment were encouraging. It was also noted that a manufacturer of cosmetic lasers was perhaps not a typical rural business, but this demonstrates the diversity of businesses that can be found in the Cheshire East rural area.

PP confirmed that all voting members present were happy to approve the project for funding as per the Appraiser's recommendation; all were in favour.

### 5.3 – Project 104517

Having previously declared his interest in this project, RP left the meeting.



The applicant's business consists of a 147-berth marina, a caravan park, chandlery, boat repair workshops, and a café. Having reached capacity with their existing workshops, the applicant is seeking funding to convert an open-aspect building into sealed workshops to make it suitable for conducting narrowboat maintenance, repairs and painting.

The project aims to create three FTE jobs; in addition, a number of apprenticeships may also be created as a result of the project but it was noted that these cannot be counted as LEADER outputs.

The applicant had requested a grant amount of £39,738, 40% of the total eligible project expenditure. However, the appraiser recommended reducing the grant amount to £34,630, 35% of the total project expenditure, as the information supplied with the Full Application indicated that the applicant had additional match funding available and did not require the full 40% funding.

The appraisal process also resulted in a significant number of project-specific conditions being included should the project be contracted for LEADER funding. Those conditions were:

- Match funding must be available and evidenced to be available before the project begins. If this funding is not available, the applicant begins work at their own risk and must evidence full match funding is available to fund the entire project, at the time the first claim is made. If this evidence is not available at the time of first grant claim is made, the Grant Funding Agreement may be withdrawn. (This condition to apply only in the circumstance that full match funding cannot be evidenced before the applicant starts work on the project).
- Beneficiary to obtain confirmation from Cheshire East Planning department that all conditions of previous planning number 10/4666N dated 6 April 2011 have been adhered to, and that additional planning permission is not required for this project.
- Beneficiary to provide evidence to support that the project will not have an adverse environmental impact
- Beneficiary to provide Health & Safety and environmental compliance from Contractors
- Beneficiary to provide job descriptions (including salary) for new posts created, together with wage bill and 'hours' report to verify the increase in job creation as a result of the project.

It was noted that some of these conditions were added by the Rural Payments Agency during the Quality Check phase of the appraisal.

RB queried the condition regarding match funding, suggesting that it seemed impossible to enforce and asking if it could be queried with the RPA. JD explained that this had already been raised with the RPA and they insisted that the condition remain in place.

MS suggested that this could be raised with the RPA noting the Board's concerns, as the RPA's own guidance does state that conditions must be reasonable and verifiable. JD agreed, but reiterated that the RPA would not pass the Quality Check or therefore allow the application to be presented to the LAG without the conditions in place.

RB also queried the condition regarding planning permission, noting that enforcing this would result in significant delays to the project as well as incurring additional costs to the applicant. JD explained that LEADER guidelines require all applicants to submit proof of planning permission,



or written confirmation that permission is not required. In this case, the applicant had supplied proof of planning obtained in 2011 with a total of 18 conditions to be adhered to.

With the Board’s approval, MS agreed to go back to the RPA for clarity regarding match funding and planning evidence.

PP confirmed that the Board were happy to fund the project at the reduced intervention rate as suggested by the appraiser, pending confirmation from the RPA regarding project-specific conditions; all were in favour.

**6. Farm Productivity**

MS explained that she wished to present an Outline Application to the Board, and although it was not the Cheshire East LAG’s usual process to do so, on this occasion she wanted the Board’s input on the application.

The application concerned the installation of a robotic milking system which would improve the farm’s resilience but would not create jobs despite a grant request of over £46,000. A known issue with farm productivity is that new farm equipment often reduces jobs rather than creates them. One robotic milker, will not actually serve the entire herd, but the applicant stated that getting new staff who are able to milk manually has proved problematic.

PP commented that it would save the business money and the animal welfare aspect is strong. MS suggested going back to the applicant and advise that they wait for new on the launch of more appropriate farm productivity funding which is due imminently. If this is not return, it was suggested that the applicant may wish to review their application for consideration through LEADER.

Board Members concurred it is a worthwhile project but without job creation it is difficult to justify for LEADER, and agreed with MS suggestion.

**7. Dates of Future Meetings**

- 16<sup>th</sup> May, 14:30 – Municipal Buildings, Council Chamber
- 15<sup>th</sup> August, 14:30 – Westfields, Room R1 & R2
- 15<sup>th</sup> November, 14:30 – Westfields, Room R1 & R2

**8. AOB**

Jake Thompson has left his role at the Forestry Commission and would no longer sit on the Cheshire East LAG or Executive Board. He has been replaced by Chris Waterfield who MS would meet soon to discuss the LEADER Programme.

**I confirm these minutes are a true and accurate record:**

Signature .....

Name (Please print) .....

Date .....

