

**NORTHERN IRELAND RURAL
DEVELOPMENT PROGRAMME.
2014 -2020**

**INTERIM
LOCAL RURAL DEVELOPMENT
STRATEGY**

EXECUTIVE SUMMARY

The Mourne, Gullion and Lecale Interim Rural Development Strategy sets out plans for allocating £11million of rural development funding across the LAG area over the next five years. The strategy was developed through extensive desk based and primary research which facilitated and maximised stakeholder input towards goal setting and budget allocation. The Mourne, Gullion and Lecale is the largest of all the new LAGs established to manage European rural development funds. The LAG covers the rural areas of Newry, Mourne and Down LGD and the council is aware of the need for the new programme to align itself to the emerging Council Community Plan.

Newry, Mourne and Down LGD is the third largest local authority in Northern Ireland, with a younger profile than the Northern Ireland average. Newry and Downpatrick are the two largest towns in the NMD LGD, accounting for 22% of the total population. The council area is primarily rural in nature and includes a large number of smaller villages and settlements scattered throughout the area.

The claimant count (JSA) more than doubled in numbers during the period 2007-2012, which was one of the highest rates of growth across all 11 LGDs (loss of jobs in construction and retail accounted for large % of this growth in unemployment). The numbers have been falling at a faster rate than the NI average, however a number of challenges remain. The long-term unemployment rate (12 months plus) is the 3rd highest after Derry & Strabane and Belfast and youth unemployment is the 6th highest of all LGDs. There are also a number of areas in which unemployment rates remain significantly higher than the NI average including Ballybot, Ballymote, Crossmaglen, Creggan, Murlough, Ardglass and Bessbrook.

The local economy is dominated by micro-enterprises, the majority of which employ less than 10 people. The self-employment rate is higher than the NI average and the council area is also home to some of NI's largest companies. The area has a higher share of businesses in both the construction and agricultural sectors.

In 2014 there were 3,765 farms in NMD LGD, the third largest farming community of all 11 LGDs after Fermanagh & Omagh and Mid Ulster. Farms are generally small and tend to be in the following business areas: cereals, general cropping, pigs, cattle and sheep and mixed farming. Approximately 6,467 work in farming in NMD, of which approximately a third are full-time. The vast majority of farmers are older, with a median age of 57 and only 5% under 35 years old. 40% of farmers had other work which demonstrates a high level of enterprise amongst the farming community. Only 28% of farms use the internet for business purposes and the new rural development programme provides an opportunity to increase this figure.

Tourism is an important sector within NMD LGD and employs 4,780 which equates to 9% of total employee jobs. NMD has the 3rd largest number of self-catering, guesthouse, B&B beds of all the LGDs. It attracts the highest number of domestic overnight trips as well as ROI and other overnight trips of all the LGDs. Murlough

National Nature Reserve was the most popular visitor attraction and there were over 1.5m visits to visitor attractions in NMD in 2014.

The Interim Rural Development Strategy is clearly aligned with national and local policy direction as demonstrated by a review of relevant strategies. The council's new Economic Regeneration & Investment Strategy includes a rural development and regeneration theme which highlights the need for a new rural body (LAG), strategy and funding which supports village renewal, business investment, additional basic services in rural areas and broadband in 'not-spot' areas.

The strategic vision of the Rural Development Strategy is that

The Mourne, Gullion and Lecale LAG area will be characterised by its vibrant villages and townlands, where enterprise and economic growth is nurtured and promoted; a place of sustainable and accessible natural beauty and a premier tourist destination encompassing excellence in culture and arts and enabling and creating opportunities for all.

The vision will be realised through the following the strategic aims:

1. To increase economic activity and employment rates in the Mourne, Gullion and Lecale LAG economy through encouraging and supporting the creation and development of micro and small enterprises, including on-farm diversification into non-agricultural activities and private tourism provision
2. To improve and maintain the living conditions and welfare of rural dwellers through the provision of additional and better basic services
3. To facilitate the regeneration of the many villages within the Mourne, Gullion and Lecale LAG and their surrounding areas by improving their economic prospects and quality of life
4. To facilitate the provision of community based solutions to broadband not spots in the Mourne, Gullion and Lecale LAG area

It is proposed to allocate £3,085,000 under the Business Investment Scheme which is 33.64% of total project spend. This investment will create 55 new micro businesses, support and grow 20 micro and 10 small businesses by 2020, creating 147 jobs in total across the LAG area. The LAG agreed at their meeting of Wednesday 25th November not to cap funding across the 3 business areas. However, based on experience and expertise gathered through previous LEADER programmes it is estimated (for budgetary purposes) the average grant for new micro businesses to be £25,000, micro businesses £50,000 and small businesses £75,000, all at 50% grant aid. Technical assistance and bespoke training is provided up to £5,000 and marketing at £5,000 and £10,000 capped at 50% dependent upon web and non-web based marketing activity. Finally, the LAG agreed to include the towns of Warrenpoint, Newcastle, Kilkeel and Ballynahinch in the Business Investment Scheme, with the proviso that no more than 20% of total business investment funding is to be allocated to projects in the above towns.

A budget of £2,055,000 or 22.41% of total project expenditure has been agreed for Rural Basic Services which will help to develop or upgrade a minimum of 9 community facilities, in addition to enhancing 6 facilities which target children / young people and elderly people throughout the LAG area. In order to ensure an equitable distribution of funds across the area the LAG Board agreed to cap capital funding for community buildings at £300,000 (average of £200,000) and facilities for children/young people and elderly people at £50,000 (average £30,000). Technical support and bespoke training is provided for at 75% up to £5,000.

Village renewal is a key measure for the Mourne, Gullion and Lecale LAG area. The LAG Board agreed an allocation of £3,150, 000 which equates to 34.35% of total project expenditure. The reason for the large allocation towards village renewal is that 29 villages and hamlets in the LAG area have already produced village plans and there is an expectation within the rural hinterland that the new rural development programme will fund part or all of individual projects identified within their plans. There are other villages who will complete or upgrade their plans within the first year of the new LAG programme. Capital funding for village renewal projects is capped at a maximum of £300,000, although the average project spend is estimated at £100,000.

The LAG recognised the importance of rural broadband and the need to target 'not spot' areas across the LAG. However, they were also of the opinion that the long-term solution is dependent on the large providers, in particular BT to provide solutions to rural dwellers. The LAG agreed to commit £230,000 or 2.6% of total project expenditure towards rural broadband which comprises of £5,000 technical assistance and £225,000 (3 x £75,000) at 75% to provide pilots to test broadband solutions in the LAG area.

Finally, the LAG is committed to Cooperation and is in the enviable position of having a small number of projects which are ready to go and which fit the objectives of the measure. The LAG has committed itself to allocating 7% of its project expenditure towards cooperation which equates to £650,000.

Mourne, Gullion and Lecale is the largest of the LAGs in Northern Ireland and will establish a dedicated LAG team based in Newry, Mourne and Down District Council comprising of:

- 1 Programme Manager
- 4 Project Officers
- 1 Finance & Verification Officer
- 1 Administration Officer, and
- 1 Monitoring Officer (in post from 2017 onwards)

The total administration budget for the delivery of the LAG programme is £2,020,000 which equates to 22%. The budget has been costed against previous LAG and other EU programmes. Newry, Mourne and Down Council are confident that they

can manage and deliver a quality programme with the above staff compliment and administrative support.

Information on the various schemes which will be delivered through the programme and indicative grant levels are outlined below.

RURAL BUSINESS INVESTMENT SCHEME

Objectives	Indicative Activity	Budget
1. To support the creation of 55 new micro-businesses by 2020	55 capital grants @ average of £25,000	£1,375,000
2. To support and grow 20 micro businesses by 2020	20 capital grants @ average of £35,000	£700,000
3. To support and grow 10 small businesses by 2020	10 capital grants @ average of £75,000	£750,000
4. Technical assistance to be provided to 20 businesses	20 technical assistance grants @ £5,000	£100,000
5. Marketing support (non-web based) to 10 businesses	10 marketing grants @ £5,000	£50,000
6. Marketing support (web-based) to 11 businesses	11 marketing grants @ £10,000	£110,000
TOTAL		£3,085,000

RURAL BASIC SERVICES SCHEME

Objective	Indicative Activities	Budget
1. To develop and upgrade community facilities as identified within Council Plans and Strategies	9 x capital grants @ average of £200,000	£1,800,000
2. To facilitate the development of facilities which enhance services to children and young people within the LAG area	3 x capital grants @ £30,000	£90,000
3. To facilitate the development of facilities which enhance services to elderly people within the LAG area	3 x capital grants @ £30,000	£90,000
4. Technical assistance to be provided to 15 rural basic services projects	15 technical assistance grants @ £5,000	£75,000
TOTAL		£2,055,000

RURAL VILLAGE RENEWAL SCHEME

Objective	Indicative Activities	Budget
1. To produce and upgrade village plans for the remaining villages / hamlets within the Mourne, Gullion and Lecale LAG area	10 x technical support @ £5,000	£50,000
2. To support physical and environmental regeneration improvements identified within village plans	31 capital grants @ average of £100,000	£3,100,000
3. To work in partnership with other agencies to maximise the impact of the funding provided through the RDP	Production of plans and projects which secure match funding from other sources	N/A
TOTAL		£3,150,000

RURAL BROADBAND MEASURE

Objective	Indicative Activities	Budget
1. To complete research into rural broadband provision across the Mourne, Gullion and Lecale LAG area	1x technical support @ £5,000	£5,000
2. To provide at least 2 pilot projects by 2020	3 pilots @ £75,000 per pilot	£225,000
3. To increase access to superfast broadband across the LAG area		N/A
TOTAL		£230,000