

**From the Office of the
Minister of Agriculture,
Environment and Rural Affairs**



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18 July 2022
AQW 2194/22-27

To ask the Minister of Agriculture, Environment and Rural Affairs for his assessment of the impact of (i) the British Government's Levelling Up agenda; and (ii) Brexit and the withdrawal of EU funding, on rural communities.

As you will be aware, overall responsibility for funding falls under the remit of Minister Murphy and the Department of Finance (DoF). DoF officials have provided an overall assessment of the impact of the Levelling Up agenda and this is attached at Annex A.

In order to ensure that rural communities continue to receive financial support as we transition from EU funding, my Department has provided a wide range of schemes and initiatives. In addition to support from the LEADER programme which amounted to £7.3m in 2021/22, my Department also provided the following funding:

Scheme	Amount	Planned
	21/22	22/23
Rural Tourism scheme	£3.9m	£0.4m
Rural Business and Community Investment Fund	£3.5m	£4.9m

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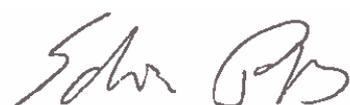


Tackling Rural Poverty and Social Isolation framework	£7.4m	£6.7m
Project Stratum	£7.5m	£10.25m
LEADER	£7.3m	£0.7m
Covid funding #	£8.2m	-

This funding supported the development of a Small Settlement scheme in conjunction with DfC and DfI, a Village Pollinator Garden Scheme, Community Rescue scheme and a Rural Tourism Collaboration Experiences Programme.

This has helped to ensure that rural communities have benefitted from a wide range of support and more flexible delivery mechanisms that help to address rural need in a much more flexible way.

Looking ahead my Department will continue to seek out funding opportunities from a broad range of funding streams and has already secured a share of €80m funding from PEACE Plus, £7.4m has also been earmarked for DAERA from the Complimentary fund and at least an estimated £12m is earmarked to come through from other City Deal and Complementary fund projects. In addition my Department is developing the Rural Business and Community Investment Fund which will help to ensure that funding previously provided through Priority 6 of the Rural Development Programme is replaced and by schemes and initiatives that are more flexible, more efficient and more responsive to the needs of rural communities across Northern Ireland.



EDWIN POOTS MLA
Minister of Agriculture, Environment and Rural Affairs

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Levelling Up Overview

- The majority of funding delivered under the levelling up agenda will be via the Financial Assistance Powers of the UK Internal Market Act. This is a novel power and is currently being used to redirect spending away from our departments to Whitehall.
- DoF Officials have established and are maintaining networks and partnerships across the NICS and Whitehall and are engaging with local councils and delivery groups and partners to understand the impacts and influence the use of the Levelling Up suite of funds.
- Prior to the White Paper being published the Chancellor of the Exchequer announced on the 4th of March 2021 the following funds under the Levelling up agenda;
 - The Community Renewal Fund (Total £12m in 1 FY)
 - Levelling Up Fund (Round 1 - £49m)
 - The Community Ownership Fund (Round 1 - £782k)
 - The Shared Prosperity Fund (Total £127m across 3 FY)
- Throughout the last year there have also been other funds facilitated under the Levelling Up Agenda and dealt with through DfC
 - Levelling Up Parks Fund (<£350k one off fund)

- Grassroots Sports Fund (unknown quantum)
- Other initiatives which currently fall under the levelling up agenda include:
 - Freeports
 - City and Growth Deals

Community Renewal Fund

- The UK Community Renewal Fund was a one year fund which has been developed and delivered centrally by Whitehall. Northern Ireland secured 6% of available funding totalling £12m.

Levelling Up Fund

- In round one Northern Ireland secured £49m (2.9%) of the total funding available from the Levelling Up Fund compared with £121m (7.2%) for Wales and £172m (10.1%) for Scotland.
- The relatively poor outcome here compared with the other devolved nations (particularly Wales) suggests that the unique highly centralised approach adopted by Whitehall for applications from here has not worked for us. When considering the full list of successful bids here, there does not seem to be any synergy between the bids or overtly specific strategic approach to proposed spend.
- Round two has launched and a technical note was published alongside the SPF prospectus on 14th April 2022. Applications opened on 31st May and close on 6th July with outcomes announced in the autumn.
- Disappointingly DLUHC do not appear to have implemented lessons from round one of this fund and it remains unnecessarily restrictive with financial barriers.

Community Ownership Fund

- Round one has now closed with a total of £782k awarded across three projects; Glens Digital Hub (£300k), Ballymacash Sports Academy (£300k) and St Columbs Hall Trust (£182k). Round two launched on 27 May 2022 with the first bidding window commencing 10 June 2022.

Shared Prosperity Fund

- The allocation of this fund for here has been set at £127m across the 3 years with Whitehall top slicing the allocation by 17% to fund their “Multiply” UK-wide adult numeracy programme. The allocation does not meet the manifesto commitment for full replacement of ESF and ERDF and falls short of the £65m per annum we would have received on average from these funds. That is before inflation is taken into account.
- It had been previously indicated that this programme could have provided a replacement for the LEADER element of rural funding but DLUHC have confirmed that this will not be possible.