

PEAK DISTRICT NATIONAL PARK AUTHORITY

URGENT BUSINESS ITEMS SUB COMMITTEE

20 DECEMBER 2002

REPORT OF THE ASSISTANT NATIONAL PARK OFFICER – HEAD OF CONSERVATION

URGENT BUSINESS

PART A

**1. THE NEW ENVIRONMENTAL ECONOMY PROGRAMME - APPROVAL OF PROJECTS (A.92748/KJP)**

Reason for Urgency

- 1.1 Three specific projects exceed the £8,000 delegation limit and need to be formally considered by Committee. In setting up the NEE Programme in December 2001 it was agreed that applications should be processed quickly, using the Urgent Items Sub-Committee mechanism. The three projects will all use European Regional Development Fund (ERDF) allocations which must be committed before 31 December 2002 or the funding will be lost.

Purpose of Report

- 1.2 To consider three specific project applications where the level of grant sought exceeds £8,000. The expenditure, although incurred by the Authority initially, will be reimbursed by ERDF.

Policy Base and Background

- 1.3 The New Environmental Economy (NEE) Programme is one of the principal means of implementing the philosophy of the National Park Management Plan - seeking to integrate environmental conservation and economic development through the actions of local people. The NEE Programme is a single programme with a variety of activity within it. A key element of the programme is a delegated grant fund to assist individual business projects. Funding comes from twelve different sources in a complex pattern depending on the nature of the project and its geographical location. A major source of funding is the ERDF.
- 1.4 The detailed proposals for managing the Programme were agreed at Resources Committee in December 2001 (Minute 86/01). A Programme Manager (Russell Ashfield) organises day to day work and facilitates the development of individual project ideas. Programme application procedures and the scoring system are based on standard practice previously used with the Peak Rural Opportunities and Farm and Environment Programmes. It has been agreed by Government Office for use in allocating ERDF funds. For simplicity the same rules and procedures are adopted for all projects whatever their funding source. Scoring criteria include economic benefits, environmental benefits and other criteria based on the ERDF Objective 2 programme. Thus a project with high environmental benefit but modest economic benefit would score higher than a project of similar cost but limited environmental benefit and high economic benefit. The grant range is 30% - 80% as with previous similar programmes.

## Proposals

- 1.5 There are three specific project proposals that need Committee approval. These are set out briefly in the following paragraphs. Projects 1 and 3 are eligible for Objective 2 area funding from the ERDF and project 2 for Transitional area funding from the ERDF.

### Project 1: Peak District Honey

To set up a viable honey making business providing a reliable source of local honey from within the Peak District. Hives will be placed at various locations throughout the Peak District. Negotiations have already taken place with businesses in Longnor, Dovedale, Hope Valley, Wildboarclough, Tideswell and Buxton, to allow the production of local honey to be marketed as such, i.e. Longnor honey, Dovedale honey etc.. 100 hives and bees will be purchased together with extraction equipment and some other small scale sundries.

Economic benefits: The aim of the project is to create a sustainable viable business providing full-time employment for the applicant plus additional seasonal assistance.

Environmental benefits: The project will creatively use the Peak District in its marketing, i.e. Longnor honey etc., as well as providing a means to pollinate wild plant species on the land where the hives are positioned.

Total cost: £27,163.95.

Total grant to be offered: £13,581.97 (50%).

Source: Objective 2 - ERDF.

### Project 2: Peak Woodland Creations Ltd

To set up a business manufacturing a wide range of log furniture using timber originating from within the Peak District. This will include waste timber from sawmills (offcuts, outside initial slices, cancelled orders, etc..), waste timber for landscapers/tree surgeons and timber from woodland improvement operations. The style of furniture to be created is such that any piece of wood of any size can be turned into something, including tables, lamp bases, cd racks, boxes, picture frames and clocks.

The project is ambitious, aiming at a final annual turnover when in full production of £135,000, employing a number of people (at least four) and creating 900 items for sale per month. Sales will be primarily wholesale to any interested retail outlets, as well as electronically. The grant will go towards initial start up costs, including machinery, equipment and marketing.

Economic benefits: The project will create significant job creation over time, initially (within the first year) employing at least four people full-time. There will also be a significant economic benefit to the local timber suppliers (sawmills, landscapers, tree surgeons) and woodland owners as a market is created for what has previously been waste timber or firewood.

Environmental benefits: The work will not only provide an outlet for what is currently waste timber, it will also create a market for currently unmarketable timber. This should hopefully have the knock on benefit of allowing woodland management work to take place that is currently uneconomic because there is no market for the timber when felled. The products will also be marketed making the connection to the Peak District environment.

Total cost: £53,192.00

Total grant to be offered: 40% up to maximum of £20,000.

Source: Transitional - ERDF

### Project 3: Peak Recyclers

To set up a business manufacturing wooden worm assisted compost bins, together with the associated worm farming enterprise to supply worms for the bins. The bins will be constructed out of Peak District timber. The worm farming enterprise will supply worms for use in the wooden bins, as well as the company's other planned line which is recycled plastic bins.

The business will improve on what is already offered by other firms around the country by providing a "hands-on" service to the process of worm assisted composting, ensuring that regular visits are made to check that it is progressing correctly. As such the business will start off small and local, aiming to sell 40 bins in the first year and rising to 160 bins/year. The grant will fund the equipment and machinery needed to manufacture, market and deliver the bins, together with the equipment needed to set up the worm farming enterprise.

Economic benefits: The project will safeguard one job and create a part-time job in the initial stages for the construction and marketing of the bins. There will also be added economic benefit to the suppliers of timber and consequently the woodland owners.

Environmental benefits: The project will provide an outlet for Peak District timber enabling further previously uneconomic woodland improvement work to be carried out. The project will also help to reduce waste going to landfill (estimated that every 10 bins will save 1 tonne of waste being transported to landfill). The bins will also be marketed making the connection to the Peak District environment.

Total cost: £18,988.50

Total grant to be offered: £9,494.25 (50%).

Source: Objective 2 - ERDF.

### Conclusion

- 1.6 As can be seen all three projects are in different ways creating new business ventures that capitalise on (and enhance) the environmental values of the Park and create or sustain existing jobs. They are all excellent examples of the NEE philosophy in practice.

### Financial Considerations

- 1.7 The project approvals need to be by 31 December 2002 to meet ERDF rules. Implementation can be completed during 2003. In the case of these three projects claims for grant are likely to be received mostly in financial year 2003-2004.

- 1.8 The Authority manages the Delegated Grant Scheme, which includes ERDF funding from GOEM, which each of these three project seek. GOEM, who will reimburse the Authority for the costs of these three projects, have seen all three applications and approved them for funding.

Equal Opportunities/Health and Safety/Human Rights Implications

- 1.9 These have been considered in the preparation of the report.

Consultation Responses

- 1.10 The Financial Services Manager has been consulted on this report.

**1.11 RECOMMENDATION:**

**That grant aid be offered to the projects described in this report.**

- (i) Peak District Honey. 50% grant up to a maximum £13,581.97.**
- (ii) Peak Woodland Creations Ltd. 40% grant up to a maximum £20,000.00.**
- (iii) Peak Recyclers. 50% grant up to a maximum of £9,494.25.**

**All grants to be subject to the standard conditions of the NEE Programme.**

List of Background Papers (not previously published)

Application documents.

- (a) Peak District Honey - application dated 24 November 2002.
- (b) Peak Woodland Creations Ltd - application dated 5 December 2002.
- (c) Peak Recyclers - application dated 29 November 2002.