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Scottish Rural
Development
Programme



Minutes: LEADER Programme 2014-2020.

Local Action Group Meeting.

22 September 2016 (11:00) at St Magnus Suite, Pickaquooy Centre.

Present:

LAG Members (Public) - Francesca Couperwhite (Chair), Phyllis Harvey (Vice Chair), Barbara Foulkes, Morag Robertson, Kerry Spence

LAG Members (Private) - Edgar Balfour, Mark Hull, Hannah Ker, Steve Ray, Paul Ross, Sarah Sankey, Nic Thake

LEADER Team: Amy Esslemont (LEADER Development Officer), Julie Murphy (Assistant Project Officer) – minutes.

Orkney Islands Council - Gavin Cameron (Funding Development Officer)

The Chair checked that the meeting was quorate, per the LAG's Constitution formally adopted at the LAG Meeting held on 3 December 2015. The Chair also checked that the public/private minimum 49/50 split was met.

1. Welcome

Francesca Couperwhite, the Chair, welcomed the LAG members and for the benefit of Kerry Spence, who had just returned to her position on the LAG, she asked that all around the table introduced themselves.

2. Apologies

The Chair advised that apologies had been received from Brian Cromarty, Keith Dobney, Issy Grieve, Susan Pirie and Amy Thomson. Dawn Flett was not in attendance.

3. Draft Minutes of the Meeting – 1 June 2016

Francesca then went through the draft minutes asking if members had any comments, or amendments.

Phyllis Harvey, Vice-Chair, referred members the last statement on page two, and advised, that since the previous meeting, it had become clear that if any application was rejected by the LAG, this would disallow the applicant from making an

application for that project, to any Scottish Rural Development Programme, for a year.

Francesca advised the LAG that they should defer projects rather than reject them, if they felt the project, in an amended form, could be considered at a later date.

The minutes were approved, proposed by Barbara Foulkes, and seconded by Nic Thake.

4. Co-operation update

Amy advised that a Rural Perth and Kinross LAG member had been in touch regarding a co-operation project idea involving culture, the arts and heritage. This initial contact had led to a Skype call, and discussions centred around creative learning and tourism. Francesca advised that the Perth LAG had been contacted by Denmark in connection with the co-operation idea. She added that she would update the LAG as the idea was progressed. She also advised that it was the only co-operation project idea Orkney had received to date, and said she would welcome any further co-operation ideas from the LAG members.

5. Enquiries received and anticipated projects

Amy advised that the Orkney LEADER Programme had received 52 expressions of interest, 27 of which appeared suitable to make full applications. She said that the receipt of expressions of interest was slowing down, and that this was the trend across Scotland, and was probably a result of uncertainty regarding the future of EU funding programmes caused by BREXIT.

Amy asked the LAG to note that there was an amended Anticipated Projects paper, produced for the meeting, to replace those papers sent previously.

She advised that, of these anticipated projects – the categories which were best subscribed were Community and the Tourism, Heritage, Food, Drink and Crafts category.

Those categories which were not attracting a lot of interest at present were the Economic/Business and the Farm Diversification.

The LAG asked if budget amounts could be moved between the categories. Amy advised that they could, but the LAG would still have to meet the required percentages for Business Development, Farm Diversification and Co-operation and be mindful of meeting the Local Development Strategy targets.

Phyllis advised that Farm Diversification had not been launched yet, as the LAG had hoped to receive further guidance on this. She suggested to Paul Ross (National Farmer's Union representative on the LAG) that perhaps he and Amy could organise a joint promotion of Farm Diversification. Paul agreed to meet and discuss this with Amy.

6. Financial summary

Amy advised that to-date £103,000 had been awarded to 2 projects: Upgrade of Burray Hall and the Installation of an Artificial Bowling Green at Kirkwall Bowling

Club. She said that the Burray project, had a slightly delayed start but was now progressing well, and looked like it would be completed ahead of schedule. She also advised that the Bowling Club project had encountered delays; the first was due to planning permission conditions, and the most recent was due to changes to the site access. Amy confirmed that she did not envisage that this would stop the project going ahead.

Amy explained that the figures on the Record of Budget Movement were to show the LAG that some of the administration budget allocation had been moved, wherever possible, in order to increase project budget allocations.

Francesca pointed out that this would result in more money being able to be spent on LEADER projects.

7. Change requests

Francesca advised that this information was for noting, and showed milestone delivery dates being changed for both Burray and the Bowling Club.

8. Timescale update

The Chair confirmed that Amy had already sent an e-mail to all LAG members advising them of the revised timescales which were being imposed due to the uncertainty regarding the future of EU funding.

Amy reiterated that any projects approved prior to the Chancellor's Autumn Statement, on 23 November 2016 (even if the duration of the project is scheduled to go beyond the UK's exit from the EU) should be guaranteed. After 23 November, no further offers of grant could be provided to applicants until the Scottish Government (SG) gives clarity on the future of the funding. Amy added that SG had advised that the impact of the Autumn Statement, on LEADER, would take some time to be processed, and they hoped that LAGs would be informed in early 2017 of the implications.

A LAG member suggested that the group should try to encourage applications from as many projects as possible before the Statement. Amy explained that projects would struggle to get match funding in place in time. Phyllis advised, that as the Accountable Body representative, she had asked the SG if it would be possible to approve projects, and allow applicants to secure their match funding afterwards. The SG had confirmed that this would not be possible as it would be a major change in procedure.

A LAG member asked if the 60 days deadline for Decisions in Principle could be extended. Amy explained that at the next meeting, on 3 November 2016, the LAG would not be able to issue Decisions in Principle only full offers of grant.

Francesca commented that until clarity had been received from the Scottish Government it would be very difficult for applicants to secure match funding.

The LAG voiced concern that the timeframe for the LEADER programme was being limited further after a delayed start.

Phyllis warned that the funding for the Programme might become an issue too, when the UK actually leaves the EU.

The LAG asked if they would be able to assess project applications after 23 November 2016.

Amy advised that the LAG had two options:

- The LAG could meet and assess project applications, but only give an approval in principle; or
- The LAG could delay assessing any further projects until clarity from the Scottish Government had been received.

Amy advised that some potential applicants had spoken with match funders, and had been advised that if LEADER could offer an approval in principle, then this may assist in applications to match funders.

The LAG agreed that, post 23 November 2016, they would continue to meet and approve projects in principle.

Phyllis said the agreement in principle would require very careful wording, as at a later date there may need to be a complete review of the situation, and some project applications may not be able to go ahead as a result. She added that they could not operate a “first come, first served” process, and that once clarity on the funding was received they would need to have a special meeting to agree which projects should take priority.

Phyllis stated it would be an uncertain time for both the applicants, and the staff.

A LAG member suggested that LAGs should get together, and highlight to the SG the difficulties being experienced.

Phyllis advised that this was already being done by the Accountable Bodies, but the LAGs could do something themselves, if they wanted to. Francesca advised that concerns and issues had been raised through the LAG Chairs Group. Amy advised that issues had also been raised at a recent Co-ordinators’ meeting.

Phyllis mentioned that the Council Convener may be commenting on the implications of BREXIT, and suggested that LAG members might wish to support him.

9. Dates of Next Meetings

The Chair asked members to note the proposed dates for the next meetings for Rounds 3, 4 and 5.

Francesca explained that it was important that they were quorate, and had the correct public/private split. She urged members to respond promptly about attendance at future meetings.

Amy advised that Skype could be used for those unable to attend in person.

The Chair advised that the next meeting, on 3 November 2016, would be to consider project applications only.

10. AOCB

Local Actions in Rural Communities System (LARCS) - Applicants

Amy explained that the system was now online for applications only. She advised that the LEADER Team had received training on the LARCS system and had been back-filling applications. She confirmed that the SG wanted the online system to be used by all applicants immediately.

The LAG asked if applicants could use the LARCS system if they wanted to. Amy confirmed that they could and the Team would support applicants through the process.

The LAG discussed the new online system in relation to the timescale update, how fit for purpose the system was and the possible problems with Broadband coverage in some areas.

The LAG decided that the LEADER Team should, for the time being, continue to accept paper applications, and back capture these applications onto the system.

The Chair asked Amy if this would need to be checked with SG. Amy confirmed that they would need to write and inform SG of the LAGs position.

LARCS – LAG Members

Amy advised that LAG members could use the LARCS system to review applications online, and a review of the system could be arranged if required.

The Chair said it was important that all LAG members:

- were able to gain access to the system, and
- were able to retrieve all of the same information.

She suggested that it might be best to continue with the current procedure, in the meantime, given the discussion held regarding Broadband coverage which could affect LAG members.

Francesca asked Amy to explain the application checks by SG.

Amy explained that after the Team have completed their technical checks on an application, and prior to it being submitted to the LAG, the SG could carry out a pre-approval check. She added that this “freezes” the application on the LARCS system, and the process can take up to 10 working days.

Phyllis said that this process could cause delays in decisions being made on future projects.

The LAG agreed that they wanted to continue with the current procedure for the time being.

11. Assessment of Round 2 Projects:

The Chair explained that there were declarations of interest for all three applications, those that had a declaration of interest left the room for the decisions as follows:

- Birsay Play Park – all members who are Orkney Island Council (OIC) staff (due to OIC funding): Phyllis Harvey, Kerry Spence and Morag Robertson.
- Stromness Town House Garden Improvements – all OIC staff (due to OIC funding) and Amy Esslemont (due to being involved in Stromness Community Council). The Chair explained that Amy would be available for LEADER technical questions only prior to leaving the meeting, and that Gavin Cameron, Funding Development Officer, would present the project details.
- Orkney Digital Media – all OIC staff (due to applicant being OIC) and Francesca Couperwhite (due to Highlands & Islands Enterprise being a match funder). Barbara Foulkes, Mark Hull and Edgar Balfour expressed an interest. The Chair proposed that Steven Ray would Chair this application, and the LAG agreed.

All the following project applications were assessed using the scoring criteria previously agreed by the LAG (13 criteria with a total of 39 marks available, and a pass rate of 26), and against the following, current LAG and Applicant Guidance versions:

- LEADER General Guidance for Applicants, Version 2.0, dated 7 March 2016
- LAG Project Assessment Guidance, Version 1, dated 7 March 2016

The projects were assessed in the following order:

1. Birsay Play Park – 14/P0009

At this point Phyllis Harvey, Morag Robertson and Kerry Spence left the meeting.

Amy asked the LAG to note that there had been a change to the match funding since the LAG Project Appraisal sheets were forwarded to them. She explained that the OIC Community Development Fund was being asked for 45%, and the Birsay Community Association was going to contribute 5% from their own funds, with LEADER being asked to provide 50% of the total eligible costs.

Amy presented a summary of the project to the group, and invited the LAG to discuss and ask questions.

A LAG member queried the ineligible costs of the project and Amy explained that funding had been applied for from Tesco's Bags of Help, with which the Association intended to purchase a triple tower for the play park.

Another LAG member asked how the play park was going to be maintained and Amy explained that the Association had committed to doing this. She added that they had also committed to paying for and having the play park inspected.

The LAG appreciated that there was considerable commitment to in-kind work for the project, and perhaps this would cause some risk to the project; Steve Ray advised that in his experience of a previous project carried out by the applicant he had no doubt the in-kind would be available.

The LAG felt the project would be of huge benefit, to the immediate local area, and for a small amount of funding. They felt that the involvement of the community was clearly evidence by the large commitment to voluntary work. The LAG also felt there were multiple elements to the project which were innovative, including their approach to researching different ways to fund the project.

With a total score of 34, the project was **approved** subject to confirmation of match funding. On confirmation of match funding the grant to be awarded would be up to £14,661.35 (50% of the approved eligible costs inclusive of VAT).

2. Stromness Town House Garden Improvements – 14/P00011

The Chair asked the LAG if they had any LEADER technical questions for Amy; they did not, so Amy left the meeting.

Gavin presented a summary of the project to the group, and invited the LAG to discuss and ask questions.

Gavin advised the LAG that the Stromness Community Council still needed to conclude a lease with Orkney Islands Council in respect of the land at the Stromness Town House garden. A LAG member asked how long the lease would run for, and Gavin advised it would cover a period of at least 15 years.

Edgar Balfour (employee of Orkney Food & Drink Ltd) queried whether he should declare an interest, and leave the meeting, as the Chairman of Orkney Food & Drink Ltd, had submitted a letter of support for the project.

After a short discussion, the Chair advised Edgar that he could stay.

The LAG asked about erecting and dismantling the canopy. Gavin advised that it was his understanding that the Council had agreed to do this, and also provide some maintenance and cleaning.

The LAG asked about disabled access to the proposed community facility. Gavin advised that the Disability Discrimination Act 2005 states that disabled access should be provided where possible. However, he explained that, in this instance, the space required for appropriate disabled access would leave no room for the stage at the proposed site. Gavin explained that although the facility could probably be located elsewhere in Stromness, it was felt that the Stromness Town House garden was the ideal location. It was noted that planning permission had been secured and that a building warrant would be required.

A LAG member questioned whether the applicant was making a 5% contribution to the entire project as supported by the Council's Community Development Fund. Gavin confirmed that they were.

The LAG felt that the project funding being requested was proportionate to the significant benefits it would provide to the local and wider population. They felt that the project was innovative, in that it's the first facility of this kind in Orkney. They felt there was a balance between the urban and rural environment, but wanted to recommend to the applicant that they utilise as much of the area as possible for flower beds, with wild flower planting where possible.

With a total score of 31, the project was **approved** subject to the conclusion of a lease with Orkney Islands Council. On confirmation of the lease the grant to be awarded would be up to £45,990.87 (50% of the approved eligible costs inclusive of VAT).

Francesca asked the LAG to confirm whether they accepted the Reasonableness of Costs Declarations, prepared by independent officers, for both projects. The LAG agreed they were both reasonable.

3.Digital Media Orkney – 14/P00010

Francesca, Barbara Foulkes, Mark Hull and Edgar Balfour left the meeting, as did Gavin. Amy Esslemont returned to the meeting, and Steve Ray took the Chair.

Amy presented a summary of the project to the group, and invited the LAG to discuss and ask questions.

A LAG member asked why the project had originally been noted in the LEADER budget theme – Business; in the paper regarding anticipated projects. Amy explained that the project application had linked the project to both Local Development Strategy themes:

- Support small business and enterprise start-up, growth and diversification.
- Support for Orkney's tourism, cultural heritage, crafts and food & drink sector.

She advised, however, that the original inclusion in the Business theme on the anticipated projects paper had been an error and the project was to be considered under the second of these themes.

A LAG queried the amount of funding being requested in relation to the identified outcomes. Amy explained that the applicant had given minimum numbers for their targets, to ensure that they were achievable. She advised that an independent officer at Orkney Islands Council had carried out a Reasonableness of Costs Assessment and they had assessed the project costs as reasonable.

The Chair said he was not surprised at the costs for the project.

The LAG then discussed the project in some detail.

The LAG felt that the project would be of benefit to the whole of Orkney and the new model of delivery to transition digital marketing activity was innovative, but felt that the activity itself was not new to the local area.

The LAG noted that although consultation with the key sector groups had been carried out, they felt that there had not been sufficient engagement with community

groups, or other organisations that are currently carrying out digital communication activity.

The LAG felt that further detail was required on how community groups/organisations maybe involved in the project delivery phase. They also felt that the objectives of the project needed to be strengthened, and queried the level of the targets set given the costs associated with the project, and felt the targets identified were unambitious.

It was also noted that further details on the types of activity anticipated would provide a greater understanding of the level of activity expected.

They also felt that further detail was required on how the project would link with other projects/digital activity in the local area, and questioned if there were unexplored opportunities for partnership working with such projects/digital activity.

On consideration of the project, the LAG decided that its assessment should be deferred, with the applicant asked to provide further information on the areas identified.

The meeting closed at 13:16.