

**Orkney LAG is being part-financed by the Scottish Government and the European
Community LEADER 2014-2020 Programme**



**Scottish Rural
Development
Programme**



Minutes: LEADER Programme 2014-2020.

Local Action Group Meeting.

Thursday 21 September 2017 (11:00) – St Magnus Suite, Pickaquooy Centre, Kirkwall

Present: LAG Members (Public) - Francesca Couperwhite (Chair), Morag Robertson.

LAG Members (Private) - Edgar Balfour, Julian Branscombe, Brian Cromarty, Dawn Flett, Mark Hull, Sarah Sankey, David Scarth.

LEADER Team: Amy Esslemont (LEADER Development Officer), Julie Murphy (Assistant Project 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 and Apologies

The Chair welcomed the LAG members to the meeting. The Chair introduced and welcomed the new Local Action Group (LAG) member from Papay Development Trust, Julian Branscombe.

The Chair informed the members that Nic Thake had given up his position on the Shapinsay Development Trust and therefore had resigned from the LAG.

The Chair advised that apologies had been received from Phyllis Harvey, Issy Grieve, Kerry Spence, Hannah Ker, Stephen Ray and Susan Pirie.

At this point David Scarth joined the meeting and the Chair introduced him to Julian.

2. Minutes of the Last Meetings

The Chair asked the LAG for any comments, or queries, in connection with the draft minutes for the meeting held on 17 May 2017.

Brian Cromarty proposed that the minutes be approved; this was seconded by Mark Hull.

The Chair mentioned that the draft minutes stated that the LAG agreed to hold a special meeting to discuss co-operation projects, but this would be discussed at Item 6 on today's agenda instead.

3. Financial Summary & Outputs

The Chair asked Amy to explain the financial summary and outputs papers.

Amy advised that to-date LEADER had approved 17 projects at just under £939K which is 47% of the current indicative financial allocation for projects. Amy pointed out that Economic/Business, Farm Diversification and Co-operation had each been allocated 10% of the total budget, and these areas all required further attention and promotion. Amy advised that 4.58% of the budget for Economic/Business had been committed to-date and should today's project application be approved then this would rise to 7.34%. Amy informed the LAG that she had spoken with other sectorial groups but no applications were anticipated imminently.

Amy added that there were no farm diversification projects approved yet, but recently there had been more publicity efforts made involving NFU and SAC. Amy stated that this had resulted in a number of enquiries about possible farm diversification projects, most of which were in connection with self-catering accommodation. Amy said that she was striving to encourage possible applicants to consider accommodation for niche markets.

Amy advised that "Orkney Farmer" were to include publicity on LEADER in a forthcoming publication.

Amy stated that there were no co-operation projects approved to-date and advised that spending the 10% allocated to these projects may prove to be unachievable; given the time it would take to develop and deliver projects of this kind.

The Chair reminded the LAG that they had already requested permission from the Scottish Government to move funds from co-operation to another area, where the money would be more likely to be utilised, but permission had been denied. The Chair explained the other papers in item 3 and advised they were mainly for information, and she invited the LAG to comment, or ask any questions.

Amy advised that the administration budget was currently at 19% of the current financial allocation; with allocated spend of up to 25% of the budget permitted. Amy further explained that the administration budget was being constantly monitored with a view to moving any excess to project spend. She confirmed that changes in LEADER staffing would not adversely impact this budget.

Amy mentioned that there were a number of play parks in Orkney which may come forward to seek funding from LEADER and the upgrading of these would need to be part of a wider community project, i.e. not just replacement of equipment.

4. Enquiries received

The Chair asked Amy to provide a summary. Amy said that enquiries to LEADER were slowing down and some had even been withdrawn due to the time involved, the volume of information required and the complexities of the LEADER application process.

The Chair expressed concern that LEADER was no longer the bottom-up, community-led programme that it was meant to be. Other LAG members agreed that it was disappointing that community/voluntary groups who would have the most to gain from the funding, may feel discouraged from applying due to the complexities.

A LAG member asked if this situation was being fed back to the Scottish Government. Amy confirmed that she is a member of the LARCs Working Group in which feedback was a part of the process.

A LAG member said they felt that with their experience of the current LEADER programme, despite the valued support of the LEADER team, they would find it difficult to recommend LEADER funding to anyone.

Another LAG member felt that there was too much information required at the application stage; resulting in the necessity for numerous change requests to be made to amend details of the project.

Francesca advised that, in addition to Amy and Phyllis Harvey, as the LAG Chair, she had also written to the Scottish Government about concerns.

Amy advised that each LAG area was dealing with LARCs in different ways, however she felt that it would be unwise to make local decisions to simplify procedures at this stage, as it may have a negative impact on projects going forward, if later these procedures were found to be incorrect by Scottish Government monitoring or auditing.

The Chair enquired about Scottish Government monitoring and Amy advised that she had been informed that it was not a requirement for them to monitor annually. Amy added that a meeting between the LEADER Team, Phyllis Harvey as the Accountable Body representative, OIC Internal Auditors and the Scottish Government Monitoring Team was to be arranged. Francesca asked if the meeting would be arranged soon and Amy confirmed that it would.

The Chair advised that the Expression of Interest for a co-operation project (Enterprise Programme for Rural Social Enterprise and Ethical Businesses) which was still being processed was not one which Orkney would be the lead partner.

There were then a few questions from the LAG about the co-operation process so Amy gave a summary of the main points.

5. Approved Applications Progress and Change Requests

Amy gave a summary on the current status of approved projects.

The Chair asked whether the lengthy list of change requests needed to be presented to the LAG and Amy confirmed that it was an agreed requirement. In order to save paper, the Chair asked if these could be sent electronically in future, and not printed out for LAG meetings, and this was agreed.

6. Co-operation

The Chair asked Amy if she wanted to add anything connected to the co-operation papers presented. Amy advised that the co-operation information was available on the LEADER website and LAG members could direct prospective applicants to the website and the LEADER Team for more information.

Amy summarised the process for applying for a co-operation project.

The Chair asked if an applicant had received money for preparatory work for a co-operation project, were they then obliged to deliver the project. Amy advised that the applicant would need to be able to provide evidence to support their decision not to take the idea forward to a full application.

Amy confirmed that each co-operation project must have a lead partner and this cannot be the LAG, but a LAG member could apply. She explained that the Scottish Rural Network (SRN) website contained information on co-operation projects looking for partners.

There was then some discussion on a Western Isles co-operation project, and the possibility of THAW applying for co-operation funding.

The Chair asked if it was possible to award 100% to a co-operation project and Amy said that 100% was available for preparatory projects, with the intervention rate for cooperation projects set at up to 70% within the Business Plan. She added that if the LAG wished to increase their intervention rate for co-operation projects then this would have to be submitted to the Scottish Government in a Local Development Strategy Change Request and the LAG were limited to two per year, and they had only one remaining for the current year.

The Chair confirmed that this would need to be discussed with Phyllis Harvey as this may impact on the risk to the Accountable Body. Francesca suggested that it would be good to know what intervention rates other areas were offering for co-operation.

A LAG member suggested that the LAG could make an approval in principle now, for this to be actioned at a later date, without the need for a further meeting. The Chair commented that as the LAG members were in agreement with the idea; this would be a useful course of action; the LAG members agreed.

Amy said that other changes to budgets would also need to be looked at. A LAG member asked how changes in budgets impacted on the targets in the Business Plan, and Amy explained that any increases or decreases to budgets would mean a review of the targets at the same time.

A LAG member requested further information on co-operation projects with other countries. Amy explained this type of co-operation.

7. Programme Monitoring Mid Term Review

The Chair explained that the Mid Term Review was a requirement of the Business Plan and asked Amy to give an outline of the process. Amy explained that the programme would be reviewed by an external consultant and this would cover the period up to 31 December 2017. She explained that the review could not be done in-house, as the LAG and the LEADER Team would be included in the review process. Amy said the plan was to produce a brief and then seek quotations in early 2018.

A LAG member raised a concern in connection with the LEADER Team's staffing changes impacting on the review. The Chair advised that the review would have to go ahead and a brief would need to be created with Amy's input, and that Amy would be able to advise, and prepare the temporary LEADER Development Officer.

Amy advised that she had been exploring the possibility of using "keeping in touch days" to allow her to input into the review. It was agreed that this would be extremely helpful and would ensure that Amy's experience with the programme to date was captured.

The Chair suggested that applicants could provide valuable input, and they should be encouraged to be truthful. Francesca also suggested that the views of those who submitted Expressions of Interest, which were not taken forward, might also be useful.

The Chair said that the brief could be circulated between meetings, or if the LAG were happy, it could be progressed with input from the Chair and Vice Chair; the LAG agreed that this should be progressed with the LAG Chair and Vice Chairs input.

8. Dates of next meetings

The Chair asked the LAG to take note of the dates of the next meetings. She advised the LAG that it was Julie's last meeting, and on their behalf thanked her for her work as part of the LEADER Team. She added that she was extremely sorry to be losing her and wished her well for the future.

Amy advised that assuming funds were to be committed by BREXIT then she anticipated there would only be four or five more LAG meetings, and urged members to advise prospective applicants to get in touch.

9. AOCB

A LAG member asked about replacement members for the two Development Trust representatives who had left, and Amy advised that the Trusts had been contacted twice to ask for nominees, and only Papay Development Trust had put forward a nominee. A member asked if the replacement had to represent Islands input, or could they be from any sector. Amy advised that the make-up of the LAG was set out in the Business Plan, and if the LAG wanted to change this then it would need to be requested via a LDS Change Request.

A LAG member suggested the difficulties of isles representatives participating in the LAG could be raised in the Mid Term Review.

Amy explained the current situation regarding participant targets, and pointed out that although most of the fields on LARCS allowed a "prefer not to say" option, there was still ongoing discussion on the mandatory field for employment status. Amy added that the situation would result in some projects having to change their targets via a change request, as they could not record the information needed, and it was disappointing that these participants could not be counted on LARCS.

The Chair asked what would happen if a project/applicant opted not to reduce their targets and simply did not manage to meet them. Amy replied that this could result in non-payment of grant so projects would be encouraged to make a change request to reduce their targets.

A LAG member asked how a project would record other achievements if not through reporting on targets within LARCS, and Amy advised that this could be done via the Project Progress Report, which is uploaded with each claim.

Amy mentioned there was to be joint publicity with the Council's Community Development Fund, and that two promotional videos had been produced which would be going out with a press release next week.

The Chair enquired about LEADER Team staffing and Amy advised the APO post would be advertised next week, and her own temporary replacement would be advertised during October. Amy said it was hoped that the new staff would be in post by December.

The Chair asked about the internal audit of the programme, and Amy confirmed that this was in progress, and so far nothing major had been highlighted.

The Chair advised that Sarah Sankey had agreed to Chair for the assessment of the project.

She then explained that there were declarations of interest for the project application, and the following LAG members left the meeting at this point:

Francesca Couperwhite (Highlands & Islands Enterprise (HIE) match funder).

Morag Robertson, (Orkney Islands Council (OIC) match funder).

Dawn Flett, (Orkney Tourism Group - applicant organisation).

10. Assessment of Round 6 Project

Sarah Sankey took the Chair.

The Chair advised that the Reasonableness of Costs Declaration for the project had been confirmed by an independent third party. The LAG agreed the costs were reasonable.

The project application was 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 4, dated 5 January 2017
- LAG Project Assessment Guidance, Version 3, dated 5 January 2017

Building Destination Orkney (14/P00028)

The Chair asked Amy to present a summary of the project.

Amy explained that the project had applied for match funding from HIE and OIC which had been confirmed, however offer of grant letters were outstanding, therefore if the project was approved, the LAG would only be able to give a Decision in Principle.

The Chair then asked the LAG to discuss the project, and ask questions.

A LAG member asked why the project had been placed in the Development of Orkney's Small Businesses and Enterprises, and not in the theme relating to tourism.

Amy explained that OTG were a small business hoping to bring benefits to other small businesses, which met the aims of the small business support theme.

The LAG agreed that the project:

- Would bring benefits to Orkney as a whole.
- Is very ambitious, but has outputs which are proportionate to the funding being requested.
- Had carried out consultation within its membership, and with strategic groups, but not with the wider Orkney community.
- Will involve members and partners in development and delivery.
- Presented a robust plan, encompassing important outcomes within a relatively short timescale, but it was clearly identified how these would be delivered.
- Had clearly identified milestones which appeared to be deliverable.
- Had identified specific potential barriers and risks.

- Did not clearly identify plans to address the risk of relationship breakdown with partners. The LAG wanted the applicant to consider carefully how strong relationships would be built through communication and consultation with the potential partners of the Destination Orkney Partnership.
- Is highly innovative with the approach to destination management, which is completely new to Orkney.
- Had clear linkages to strategies at programme level.
- Had good potential social and economic linkages.
- Would have minimal negative environmental impact.
- Would not be able to proceed without LEADER funding.

With a total score of 31, the project was **approved** subject to written confirmation of match funding. On confirmation of match funding the grant to be awarded would be up to £69,183.19 (50% of the approved eligible costs exclusive of VAT).

The meeting closed at 12:55.