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Community LEADER 2014-2020 Programme



Scottish Rural
Development
Programme



Minutes: LEADER Programme 2014-2020

Local Action Group Meeting

**Wednesday 17 January 2018 (11:00) – St Magnus Suite, Pickaquoy Centre,
Kirkwall**

Present: LAG Members (Public) – Francesca Couperwhite (chair), Phyllis Harvey (vice chair), Alister Brown, Kerry Spence

LAG Members (Private) – Edgar Balfour, Brian Cromarty, Dawn Flett, Mark Hull, Susan Pirie, David Scarth, Julian Branscombe

LEADER Team: Amy Esslemont (LEADER Development Officer), Alison Nimmo (LEADER Development Officer), Jenna Milne (LEADER Assistant Project Officer), Jill Sutcliffe (LEADER 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 the new staff members of the LEADER team to the LAG, and the LAG members introduced themselves to the new team members.

The Chair advised that apologies had been received from Hannah Ker, Sarah Sankey, Steve Ray and Issy Grieve.

2. Minutes of the Last Meeting

The Chair asked the LAG for any comments, or queries, in connection with the draft minutes from the meeting held on 21 September 2017.

Edgar Balfour proposed that the minutes be approved; this was seconded by Brian Cromarty.

The Chair advised that the draft minutes had stated at item four that a meeting was going to be held between the LEADER Team, Phyllis Harvey, OIC Internal Auditors and the Scottish Government but was no longer required as the issues relating to this have now been superseded.

The Chair also noted the draft minutes stated that at item 7 that a mid-term review was to be undertaken using an external source. As agreed by LAG members prior to the meeting there would now be a staff-led annual review carried out in house rather than by external consultants.

The Chair also informed the LAG that the internal audit mentioned in the draft minutes relating to the LEADER processes and procedures has now been completed, with no issues being identified. The audit praised the work of the LEADER Team.

3. Financial Summary and Outputs

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

Amy advised that to-date LEADER had approved 18 projects, at a commitment of just over £1 million, which was roughly half of the current indicative financial allocation for projects. Amy pointed out that there has been a dramatic increase in the number of Farm Diversification enquires, which is a positive step towards allocating the so far uncommitted Farm Diversification budget. Amy also noted that the 10% budget allocation for co-operation projects still remains unspent, and that a LDS Change Request has been submitted to the Scottish Government asking for permission to re-allocate some of those funds elsewhere, but as of yet no response has been received. Amy also pointed out that the Environmental budget heading remains undersubscribed, but there are potential projects in the pipeline which would fit well under this theme.

Amy then moved on to the Budget Summary which shows that 22% of allocated project awards have now been claimed and paid out to applicants, which will steadily increase as more projects are now underway and in a position to claim funds. Amy also noted to the LAG that the current admin budget was 19% of the current budget allocation; with allocated spend of up to 25% of the budget permitted, Amy noted that spend against the admin budget is set to rise now that the LEADER team is fully staffed.

Amy then discussed the estimated costs which have been submitted by potential applicants within their Expressions of Interest, from these estimations it was noted that the Business Support and Community budgets are on track to be fully utilised and the Farm Diversification and Environmental themes should begin to receive further applications in the near future. It was finally noted that three projects are now complete from this programme.

The Chair mentioned that the increase in Farm Diversification enquires was as a direct result of a Farm Diversification information evening held by the LEADER team, which was well attended. The Chair also mentioned the possibility of further publicity of the services available to farmers to assist them in the application process, such as SAC Consulting and Business Gateway. The Chair also stressed that final applications had to be received and approved by March 2019 at the latest, which effectively only leaves a year for applications to be received. She urged LAG members to encourage any potential applicants to get in contact with the LEADER team as soon as possible.

At this point Mark Hull joined the meeting.

A LAG member noted the change in the LEADER process made by the Scottish Government, which should make the claims process much easier for applicants and suggested that LAG members pass this information to potential applicants.

4. Enquires Received

The Chair asked Amy to provide a summary. Amy again pointed out the increase in Farm Diversification enquires which it is hoped will be progressed.

Amy also noted that two of the pending enquires were on hold, waiting for further information from the applicants to be able to assess eligibility.

5. Approved Applications Progress and Change Requests

The Chair asked Amy to give a summary. Amy said that the change requests had been issued by email as agreed at the last LAG meeting, saving paper as it was a substantial document. Amy also pointed out that the level of change requests should drop substantially with the change to the conditions of the Offer of Grant. The Chair asked Amy to explain the change.

Amy explained that currently when setting project milestones, projects are in some instances setting these in line with cashflow requirements, rather than the projects critical steps as a milestone should be. This was to allow projects to make financial claims as these could only be made against completed milestones. The change allows projects to make financial claims against milestones, meaning minimal milestones can be entered into LARCs and claims can be made when required. Projects will still be encouraged to outline the critical steps towards achievement of the project in their project documentation, rather than on LARCs.

The Chair pointed out that applicants may now need to be encouraged to make regular claims.

Amy replied that the LEADER Team are going to encourage projects to claim quarterly.

A LAG member asked if this change had been as a result of widespread issues, or if this was more just an issue for the Orkney LAG.

Amy responded stating that it was an issue all over, but some LAG areas had been allowing applicants to claim against milestones, but the Orkney LAG had not allowed this as a means of protecting the applicants as it was clear from the terms of the Offer of Grant that this should not be allowed.

At this point Julian Branscombe joined the meeting.

6. Future of Rural Development

The Chair explained to the the LAG that a briefing paper relating to the future of rural development had been drafted, and LAG approval to send this to the MP and MSP on behalf of the LAG, signed by the Chair, was required. The Chair asked Amy to explain further.

Amy said the briefing paper was a means to highlight the work of LEADER, given the lack of discussion in parliament regarding support for non-agricultural development funds post BREXIT, stressing the need for a funding programme similar to LEADER in the future.

The LAG agreed that the briefing be sent. The Chair noted that this should be sent in the next few weeks. The Chair also noted Amy would need to draft a covering letter to go along with the brief and asked that contact details for the Vice Chair and LEADER Officer be included.

7. Next Meeting Dates

The Chair asked the LAG to take note of the dates of the next meetings as provided below.

| Round | Deadline for applications | Papers to LAG | LAG Meeting |
|-------|---------------------------|---------------|-------------|
| 8 | 21-Feb-18 | 11-April-18 | 18-April-18 |
| 9 | 16-May-18 | 04-July-18 | 11-July-18 |

The Chair also asked the LAG to note Amy's last day prior to her maternity leave is 15 February, and asked the LAG to encourage any potential applicants to get in contact with Amy as soon as possible to take advantage of her wealth of knowledge before she finishes.

8. AOCB

The Chair asked if anyone had any other business to discuss.

Amy took the opportunity to inform the LAG of a recent development with one of the current live projects. Amy explained that Orkney Tourism Group, who are running the Building Destination Orkney project, are planning to change their business name from Orkney Tourism Group to Destination Orkney. She pointed out that a new Offer of Grant would be required for the newly named organisation, which would need to be agreed by the LAG. The LAG was informed that they would in the future receive an email asking for their acceptance, with a deadline for their response.

9. Assessment of Round 7 Projects

At this point all Orkney Island Council LAG members left the meeting.

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

Upgrade of Sandwich Community Centre (14/P00032)

The Chair asked Amy to present a summary of the project. Amy summarised that the project involved the upgrade of the Sandwich Community Centre, upgrading the heating, windows, doors, kitchen and creating a store area. The works to be complete was subject to a feasibility study carried out in 2013, but the project has been scaled back to be more manageable, whilst the main elements identified as required would still be addressed.

Amy explained that the project had applied for match funding from Orkney Island Council, which has been confirmed, however the offer of grant is still outstanding, and they are contributing some of their own funds. Amy also pointed out that an independent reasonableness of costs has been carried out and agreed.

The Chair asked the LAG to discuss the project and ask any questions they have.

The LAG agreed that the project:

- Would bring benefits to the local area
- Provides a high level of benefit for the funding being requested, the project is good value for money
- Broad consultation had been carried out, with a feasibility study and many letters of support from users of the Community Centre
- The upgrades will benefit a substantial number of groups
- The project is ambitious in terms of timescale, but appears viable
- Has identified some relevant potential barriers and risks
- Has well thought out plans to address potential barriers and risks, with a contingency included (out with the LEADER project)
- Has some innovated aspects, including some industrial appliances
- Has strong linkages to strategies at programme and local levels
- Has good social and environmental linkage
- The hall being upgraded, rather than the committee looking to rebuild would enhance the environment
- Would not be able to proceed without LEADER funding

With a total score of 32, the project was approved subject to written confirmation of match funding from Orkney Islands Council and receipt of planning permission approval. On receipt of this information the grant to be awarded would be up £45,726.63 (47.49999481% of the approved eligible costs inclusive of VAT)

Deerness Hall Extension (14/P00029)

At this point Jill Sutcliffe left the meeting.

The Chair asked Amy to present a summary of the project. Amy summarised stating that project involved creating an extension to the Deerness Hall to provide a permanent stage area, externally accessible toilets and showers, a coin operated washing machine, a chemical toilet sluice, upgrade of the heating systems, the purchase of additional chairs and the installation of an electric vehicle charging point.

Amy explained that the project had match funding confirmed from Orkney Island Council (Community Development Fund - CDF), St Andrews and Deerness Community Council, Energy Saving Trust and the Orkney Island Council (Tourism grant). However an Offer of Grant from the CDF is currently outstanding. Funding from the Robertson Trust is also awaiting confirmation.

Amy also pointed out that an independent assessment of the reasonableness of costs had been carried out and approved.

The Chair asked the LAG to discuss the project and ask any questions they have.

The LAG agreed that the project:

- Would provide good local benefits
- The contribution to the outputs is proportionate to the funding, with significant works being undertaken
- Broad consultation has been carried out with several letters of support, and a community survey being undertaken
- Has good community involvement, with some work being carried out in kind
- Appears viable and realistic

- Appropriate potential risks have been identified
- Plans to address potential issues were appropriate, including potential issues with volunteers and cash flow
- Is relatively innovative in terms of the camping project elements and electric car charger
- Has clear linkages to other programme level strategies
- Will provide community and economic enhancement, such as increased footfall at the local store, and has identified some environmental benefits
- Would not negatively impact on the environment, with some positive environmental steps
- 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 and receipt of planning permission approval. On receipt of this information the grant to be awarded would be up to £107,009.39 (46.20220742% of the approved eligible costs inclusive of VAT).

North Ronaldsay Development Manager (14/P00027)

At this point Brian Cromarty and Francesca Couperwhite left the room, Jill Sutcliffe returned and David Scarth took the position of Chair for the assessment of this project. The Chair took this opportunity to thank Amy for her hard work and commitment to LEADER and along with the rest of the LAG wished her the best for her upcoming maternity leave.

The Chair asked Amy to present a summary of the project. Amy summarised that the project was to employ a part time Development Manager for North Ronaldsay to lead on projects which will help meet the priorities of the Island Development Plan. The overall aim is to attract new residents and improve the facilities on the island.

Amy explained that the project has match funding confirmed from Highlands and Islands Enterprise, although an offer of grant was outstanding. The Orkney Island Council match was yet to be approved. The Trust would also be contributing some of their own funding.

Amy noted that an independent reasonableness of costs assessment had been carried out and approved.

The Chair asked the LAG to discuss and ask questions.

A LAG member pointed out the ambitiousness of the project in terms of employing a part time Development Manager and noted the low project costs.

The LAG agreed that the project:

- Had significant benefits for the local area, and has huge potential to prevent the islands decline
- Had a high level of benefits compared to the relatively low amount of funding being requested
- Has carried out broad consultation on the island, with a high level of community input
- That if successful the project will build capacity with broad community involvement
- Appears viable, but is potentially a large workload for one part time individual
- Is realistic and ambitious but overall is achievable
- Has identified potential risks and barriers, mainly surrounding the need for successful recruitment
- Has suitable plans to address the identified risks
- Is innovative to the local area, no such position has ever been in place on North Ronaldsay
- Has clear linkages to Orkney wide strategies

- Will greatly enhance the sustainability of the community
- Protects the environment
- Would not be able to proceed without LEADER funding

With a total score of 32, the project was **approved** subject to written confirmation of match funding. On receipt of this information the grant to be awarded would be up to £20,749.97 (49.99032716% of the approved eligible costs exclusive of VAT).

The meeting closed at 12.30.