

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

**Local Action Group Meeting.**

**31<sup>st</sup> October 2018 (11.00) – St Magnus Suite, Pickaquoy Centre, Kirkwall**

Present: LAG Members (Public) – Francesca Couperwhite (Chair), Phyllis Harvey (Vice Chair), Kerry Spence, Alister Brown, Tom Duff.

LAG Members (Private) – Dawn Flett, Hannah Ker, Susan Pirie, Julian Branscombe, Edgar Balfour, Mark Hull and Steve Ray.

LEADER Team – Alison Barclay (LEADER Development Officer), Jill Sutcliffe (LEADER Assistant Project Officer), Michelle Koster (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<sup>rd</sup> December 2015. The Chair also checked and confirmed that the public/private minimum 49/50 split was met.

Attendees were reminded to notify the LEADER office if they required printed copies of the LAG papers for the meeting.

**1. Welcome, apologies and introduction of new staff**

The Chair welcomed the LAG members to the meeting and Tom Duff, Assistant Principal at Orkney College, replacing Bill Ross; Alison Barclay, the new LEADER Development Officer and Michelle Koster, the new LEADER Assistant Project Officer. The LAG members each introduced themselves.

Apologies had been received from Brian Cromarty and David Scarth.

**2. Minutes of the Last Meeting**

Alison presented the minutes of the LAG meeting held on 18<sup>th</sup> July 2018.

The Chair explained that the final costings had been received for the Graemsay Community Hall Development, which had received an indicative score of 37 by the LAG at the meeting on 18<sup>th</sup> April 2018, and a Reasonableness of Cost Declaration had now been approved. In accordance with the agreed proposal of the LAG from the 18<sup>th</sup> April 2018 meeting, the project was further assessed, scored and approved for funding by the Chair and Julian Branscombe. A Decision in Principle will be issued subject to approval of a Community Development Fund grant.

The Chair then asked the LAG for any comments, or queries and, there being none, Julian Branscombe proposed that the minutes be approved and was seconded by Edgar Balfour.

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### **3. Financial summary and outputs**

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

Alison informed the LAG that the proposed changes to the Business Plan, approved by the LAG members by email, are now with the Scottish Government for approval. With the LAG's Commitment to Date to 23 projects, amounting to a £1.29 million commitment made to project costs, Alison took the LAG members through the current Commitment by Category (paper 3a) and explained that the current Uncommitted Budget was £820,784.61.

Changes to the Business Plan included the merger of the Economic Business commitment with the Farm Diversification budget to be 20% of the total budget. With 10.33% now committed, £243,186.81 is left in this budget. The Cooperation budget has reduced by £125,637.50 from 10 to 5% and whilst there is an application to be considered at this meeting, the full amount is so far uncommitted.

Alison went on to explain the Budget Summary (paper 3b) that claims are now coming in from projects regularly with 30.82% of the committed budget spent. Some of the larger scale projects are now getting underway with claims so this will rise steadily. 4 projects have now complete and are fully spent and the current admin budget, which is 16% of the total LAG budget, has spent 45% of this amount to 30<sup>th</sup> June 2018.

The Anticipated Applications (paper 3c) showed that, if the applications considered at this LAG were to be approved, Economic Business/Farm Diversification would have a budget remaining at £212,928.36; the Co-operation would have a budget remaining of £84,394.50; and Community, Environmental and Tourism Heritage Food Drink & Craft would have budgets remaining of £139,173.24, £139,988.26 and £1,475.73 respectively.

With 4 projects now completed and one ending, reports against Targets are currently low in Farm Diversification and Environmental, however Targets relating to Businesses Supported and Community Facilities Benefited are being met. Alison explained that the LARCS system requires an applicant to set targets during their application but the layout of the system isn't user-friendly when working through the Targets section. One example relates to Jobs Safeguarded, where the applicant had declared two, referring to immediate posts, but the knock-on was closer to 60 when considering the inter-related activities. Alison agreed to look at the Outputs and review the situations with the projects as the Change Request process can be used to revisit the figures and make this process as straight-forward as possible for the projects.

### **4. Enquiries received**

The Chair asked Alison to provide a summary of the Enquiries and Expressions of Interest (EOIs) received. Alison explained that LEADER had closed for EOIs on 30<sup>th</sup> September 2018 to help focus

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applicants, as demand was very high for the last anticipated project round on 6<sup>th</sup> February 2019. A total of 24 EOIs have been submitted and approved with 1 withdrawn in the previous couple of days, and these represent the potential number of applications for the 6<sup>th</sup> February 2019 LAG.

### **5. Approved Applications Progress and Change Requests (paper by email only)**

The Chair asked if any of the LAG members had any questions with regards to the Approved Projects Update, or the Change Requests papers circulated by email. There were no questions raised and Alison added that the Birsay Play Park project was near completion.

### **6. Projects as at 10<sup>th</sup> October 2018**

The LAG members were provided with a list of current projects as at 10<sup>th</sup> October 2018 for their reference. The Chair asked if the LAG members had any questions relating to any of the projects. No questions were asked.

### **7. Future of LEADER**

The Chair asked the Vice Chair to take the LAG members through the paper 'Regarding Procedures for 6<sup>th</sup> February LAG meeting and allocation of remaining funds'. The Vice Chair explained that for the next LAG meeting on 6<sup>th</sup> February, there may be 24 applications for funding and the LAG needed to agree what procedures to adopt.

She explained that on 2<sup>nd</sup> October the Scottish Government announced that the Treasury Guarantee of July 2018 would cover the LEADER programme and contracts and the Accountable Bodies Board of 4<sup>th</sup> October agreed that LAGs should have contracts in place with Co-operation project applicants by 31<sup>st</sup> March 2019, and with all other projects by 30<sup>th</sup> June 2019.

In exploring the options available as there may be more applications than available funds with such a large number of applications, the Vice Chair asked the LAG members how they would like to proceed.

The members agreed that, with or without conflicts, as all project papers need to be read to allow members to confirm whether they agree with indicative scores, they would prefer to have a longer LAG meeting to score all of the projects coming forward, as this was the fairest approach on all applicants, past and potential.

When considering how to deal with there being insufficient funds, the LAG members agreed that dividing remaining funds between projects could mean that all projects struggle to meet match funding requirements which would affect their ability to proceed. The LAG members also agreed that allocating funds according to Targets would make it difficult to judge which targets were more important. Instead the LAG members preferred to allocate remaining funds according to scores, with the highest scoring projects being awarded funds first.

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LAG members also agreed that in the case of the Co-operation and Farm Diversification/Economic and Business themes, if there were remaining funds, rather than return these funds to the Scottish Government, they would like to see the LEADER Programme open again for EOIs for these themes only. This would become clearer after 29<sup>th</sup> November 2018, which is the next LAG closing date for applications.

**8. Dates of next meetings**

Alison confirmed that the deadline for draft applications for the next LAG is 15<sup>th</sup> November 2018 with the LAG dates as follows:

<b>Round</b>	<b>Deadline for Applications</b>	<b>Papers to LAG</b>	<b>LAG Meeting</b>
11	29 <sup>th</sup> November 2018	30 <sup>th</sup> January 2019	6 <sup>th</sup> February 2019

**9. AOCB**

The Chair asked if there was any other business to discuss.

Alison shared the news that the LEADER team had handled 3 audits since September 2018 including:

- a Desk based monitoring audit on three projects using LARCS (Digital Media Orkney, Building Destination Orkney and Collections Development Team),
- an OIC internal audit for the Annual Confirmation Certificate and report to the SG on 7 projects (Burray Hall, Kirkwall Bowling Green, Printmaking for me and YOU, Westray Circular Economy Growers, Digital Media Orkney, Project Manager - Orkney Craft Association and Deerness Hall)
- and a Scottish Government spot check (desk based) for the Ness of Brodgar Phase 1

All audits had been awarded a Green status with only a few minor issues raised.

The Chair offered the congratulations of the LAG members to the LEADER team for their hard work and achievements, on top of preparing for a busy LAG.

**10. Assessment of Round 10 projects:**

The project applications were assessed using the scoring criteria previously agreed by the LAG as follows:

- Farm diversification projects – 12 criteria with a total of 36 marks available and a pass rate of 24

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- Other projects - 13 criteria with a total of 39 marks available, and a pass rate of 26

Which were scored against the following current LAG and Applicant Guidance versions:

- LEADER General Guidance for Applicants, Version 5, dated 13 February 2018
- LAG Project Assessment Guidance, Version 4, dated 13 February 2018

The Chair advised members that the first two projects had been previously scored by the LAG and invited Alison to explain the differences presented today.

#### **Making Yoghurt and Farmhouse Cheese – 14/P00045**

Alison reminded the members that this was a Farm Diversification project to renovate an old farm building and create a facility to produce yoghurt and cheese from the farms' own milk. The project will introduce a new product of yoghurt to the market and an alternative farmhouse cheese in a popular market where demand cannot be met.

Alison confirmed that everything was in place for a grant to be offered if the LAG approves the award. The project came to the LAG in April 2018 but could not proceed at that time, due to an issue with match funding. The only difference, as this is essentially the same project approved in April, is the reduction in the building costs and therefore total project costs.

The Chair asked the members of the LAG if they would like to re-score the project and they confirmed that they accepted the differences to the project did not warrant re-scoring and that the previous score should be retained. With the previous score of 33, the project was **Approved** and a grant to be awarded would be up to £30,208.45 (49.9% LEADER contribution towards the approved eligible costs of £60,416.91 exclusive of VAT).

#### **St Magnus Way Phase 2 – 14/P00025**

Alison reminded members that this project supported the Tourism/Heritage sector and aimed to assist with the inclusion of way-markers and interpretation boards along the 55-mile walking route, which was a legacy of the Magnus 900 celebrations.

Alison confirmed that everything is in place for a grant to be offered if the LAG approves the award. The project came to the LAG in Feb 2017 but could not proceed at that time due to land owners' permission issues which have been rectified. Alison explained that, in addition to the initial application, Phase 2 of the St Magnus Way project introduces a 'Pilgrim Passport' incorporating input from local businesses who will 'stamp' the passports, and the website will be updated to reflect these changes. The total cost of the project is less than previously applied for.



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The Chair asked the members of the LAG if they would like to re-score the project and they confirmed that they accepted the differences to the project did not warrant re-scoring and that the previous score should be retained. With the previous score of 34, the project was **Approved** and a grant to be awarded would be up to £8,473.05 (50% LEADER contribution towards the approved eligible costs of £16,946.09).

### **Between Islands – 15/P00096**

The Chair asked Alison to introduce our first Co-operation project, with the Outer Hebrides and Shetland LAGS, circulated complete with the Technical Assessment, to collaborate on an arts, heritage and music project with an inter-island cultural exhibition of artefacts, a publication, touring musical events, arts/crafts workshop and skills sharing and website creation.

The project had received letters of support for the project from all 3 areas arts, museums and music sectors. It is likely to have economic benefits through improved skills training, cross sectorial working for locals and visitors, social benefits of strengthening the existing cultural links and foraging new ones between the younger generations.

Project costs are for a project co-ordinator, travel, research and delivery costs, film development, publication costs, musician fees/travel, website development costs and marketing costs. Match funding is secured and in place from An Lanntair Arts Centre, the project applicant, who has delivered co-operation projects before.

Alison confirmed that everything is in place for a grant to be offered if the LAG approves the award. The project has been scored and passed in the Outer Hebrides and is in the process of being scored in Shetland. It has also been to the SG for a pre-approval check and passed.

A LAG member said that Orkney groups must be involved in the development of the project which must also be Orkney sensitive, the ensure the project meets the needs of this community. Alison explained that she had raised the need for Orkney involvement with the Outer Hebrides LEADER team and took the members through the Distribution of Funding appendix to the Project Plan which shows Orkney's involvement across all areas of the proposal.

Before scoring, the Chair requested clarification that Q45 and Q51 on the Technical Assessment had empty boxes. Alison explained that Q45 referred to only those LDS priorities that were relevant, so not all had to be ticked; and Q51 should be ticked as N/A, as this was not a partnership project.

The Chair took the members of the LAG through the scoring criteria. The LAG members agreed that:

- The project shows significant benefits across the local area of Orkney and across the wider programme area of the Western and Northern Isles.

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- The amount of funding requested for the project is reasonable and the contribution required from the Orkney LAG is proportional to the outputs.
- Limited consultation has been carried out to evidence need or opportunity, particularly within Orkney.
- There has been limited community involvement in the development of the project.
- A condition of this project would be to ensure there is community involvement to ensure strong representation in the project development and delivery.
- The plan appears viable with appropriate delivery mechanisms realistic costs and timeframes and, although lengthy, appears to lack detail.
- The objectives and milestones identified are specific although it is not completely clear how they will be achieved.
- Milestones appear tight with a considerable number of steps early on in the project with a programme designed around current planned events.
- Potential barriers and risks specific to the plan have been identified.
- Project will maintain a risk register with specific risks identified for follow up. The LAG was encouraged to see this for a project of this size.
- Appropriate plans for potential barriers and risks have been identified.
- The plans addressing the risks could be more detailed.
- As a first co-operation project the project is highly innovative and completely new to the Orkney programme area.
- There are clear linkages at local and programme level with Orkney strategies and the co-operation partners.
- There are good linkages between two the sustainability criteria of economic and social.
- There is minimal negative environmental impact as a result of the travel required between areas.
- LEADER funding will allow the project to proceed which it would not otherwise

With a score of 30, the project was **Approved** and a grant to be awarded would be up to £41,218 (89.8% LEADER contribution towards the approved eligible costs of £123,654 equally split between the 3 Co-operation groups).

It was agreed that a condition should be placed on the grant to state that community involvement in the project development in Orkney should be equal to that in the Outer Hebrides and on Shetland.

At this point Francesca Couperwhite left the meeting and Phyllis Harvey took over as the Chair.

#### **Linkshouse Residency Centre – 14/P00042**

The Chair asked Alison to introduce our next application, submitted by The Pier Arts Centre, which is a Community project to convert and upgrade the interior of Linkshouse, Birsay. The project

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aims to create an adaptable and accessible residential facility with a studio space to allow creative and educational residential courses to be held by the Pier Arts Centre and others.

The project had received letters of support from the local community, universities, artists and arts organisation as well as the MSP. It will lead to economic benefits for the Birsay area and enable the Pier Arts Centre to become more resilient, with social benefits from greater learning about the Pier's art collections, for a variety of local and visitors. Environmental benefits will come from improved building insulation and connection between the landscape and the artists and their audience.

Project costs are for the conversion and refurbishment of the building and match funding has been obtained from Creative Scotland, Museums Galleries Scotland and HIE leaving LEADER contribution requested as the 'last brick in the wall' at 9.8%.

Alison explained that everything is in place for a grant to be approved today, with a condition to the Grant that a full procurement exercise must be completed so an assessment of the reasonableness of cost can be made at the time of the claim, as per the SG LEADER Applicant Guidance para 13.1.1, as the intervention rate is less than 30%.

LAG members commended the applicant on the variety of support demonstrated in the project and that it would benefit the economic activity in Birsay. One LAG member queried why, as the project was for the building development, there were no plans; that the project was good but lacked innovation in the building restoration. Alison explained that plans had been submitted with the application and showed the conversion of the former B&B accommodation and garage into a 12-bed residency centre with studio and workshop space, adding that this facility will provide the creative outlet that the Pier Arts Centre doesn't have space for. The Chair added that building plans had not been requested by the LAG for this type of application before.

The Chair took the members of the LAG through the scoring criteria. The LAG members agreed that:

- There are significant benefits at local and programme level. Project benefits the whole of Orkney.
- There is a small amount of funding requested, which means there is a high level of benefit for the amount of LEADER funding being requested.
- Broad consultation has been carried out to demonstrate need or opportunity, with many letters of support received from all sections of the community. A good level of support for the opportunities the project will present.
- Whilst there appears to be limited community involvement in the development of the project, there will be benefit to the community that the applicant will deliver.



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- The plan appears viable with appropriate delivery mechanisms, realistic costs and timeframes. With the limited detail as the project is the development of the building itself, the economics appear reasonable.
- The objectives and milestones identified are specific and it is clear how they will be achieved. The project has ample time to be successfully delivered.
- Potential barriers and risks specific to the plan have been identified. The project is straightforward and specific risks have been identified.
- Plans for those potential barriers and risks which have been identified are appropriate.
- The project is innovative and new for the local area, although the project shows a lack of innovation for developing the building.
- There are clear linkages with strategies and local and programme level, across Orkney, Scotland and beyond.
- There are good linkages between two sustainability criteria for both social and economic benefits. Environmental benefits could have been better demonstrated through bringing an old building back into use.
- There will be minimal negative environmental impact.
- LEADER funding, even for the small intervention rate, will allow the project to proceed which it would not otherwise.

With a score of 32, the project was **Approved** and a grant to be awarded would be up to £18,839.52 (9.8% LEADER contribution towards the approved eligible costs of £192,240) with the condition that a full procurement exercise is completed so an assessment of the reasonableness of cost can be made at the time of the claim.

At this point Francesca Couperwhite returned to the meeting, resuming the role of Chair, and all other Public Sector members of the LAG left.

#### **Ness of Brodgar Development Project Phase 2 – 14/P00041**

The Chair asked Alison to introduce the next application submitted by Orkney Islands Council (ORCA – Orkney College) which is a Tourism/heritage project and seeks to build on the Phase 1 project by employing 2 staff for a 20 month period, to apply for large specialised grants, produce a collation of all the research work, finds, artwork into a comprehensive interim report and explore further access to other audiences to the Ness.

Letters of support have been received from many in the tourism sector, the local school, community council, universities, artists, MSP, National Museum of Scotland for the project.

Match funding is provided by the Ness of Brodgar Trust and the project will lead to economic benefits for Orkney from large increased tourist numbers to the site with much TV exposure, social benefits from volunteers helping on the site and the wider network of interest on the social media increase the public's understanding of their history. The site has low environmental impact.

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Alison explained that everything is in place for a grant to be offered if the LAG approves the award. As it is an OIC application the project has been referred to the SG for a pre-approval check, which it passed. The LAG members agreed that the costs of the project were reasonable.

The Chair took the members of the LAG through the scoring criteria. The LAG members agreed that:

- The project brings significant benefits at local and programme area.
- There is a high level of benefits for the funding being requested.
- Broad consultation has been carried out to demonstrate need or opportunity, with a lot of support from a wide sector of the community.
- There has been limited community involvement of the development of this project. However, there will be a large number of volunteers in both the tourism and historic/ archaeology sectors
- The plan is robust and clearly identifies how the identified need or opportunity will be met, with realistic costs and timeframes, through the use of a number of officers.
- The objectives and milestones identified are appropriate and appear achievable, as sufficient time has been allowed to achieve milestones, which include a major review and the publication of an interim report.
- Appropriate potential barriers and a wide range of risks have been identified.
- Appropriate plans for potential barriers and the risks which have been identified are in place.
- Although a continuation project, there are some innovative aspects.
- There are clear linkages with strategies at local and programme level with a wide a varied outreach
- There are good linkages between the two sustainability criteria of economic and social.
- The project protects the environment for both historic and archaeological purposes.
- LEADER funding will allow the project to proceed which it would not otherwise

With a score of 31, the project was **Approved** and a grant to be awarded would be up to £59,869 (49.9% LEADER contribution towards the approved eligible costs of £119,751).

At this point Francesca Couperwhite left the meeting, and Edgar Balfour took over as Chair.

#### **North Isles Landscape Partnership Scheme (NILPS) – Staff Costs 14/P00046**

One LAG member asked if they should declare an interest as they were from the North Isles, but it was agreed that this was not necessary.

The Chair asked Alison to introduce the next application submitted by Orkney Islands Council as the lead partner along with Highlands and Island Enterprise, Scottish Natural Heritage and RSPB. NILPS is an environmental project with this application seeking to employ 3 staff for a period of

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21 months, to deliver the NILPS projects in the North Isles which include biodiversity, habitat creation and management, an oral history project, development of heritage centres as well as traditional skills training.

The project has received letters of support have been received from all the isles Community Councils and Development Trusts and the MSP. A large amount of community engagement has taken place with the local and visitors. Research into biodiversity, landscape, seascape and historic environment have also been carried out.

The project will lead to economic benefits in the North Isles with improved skills training, increased visitor numbers, improved social cohesion with greater awareness and contributions to the recording of oral history and improved environmental understand of the landscape and native species through monitoring, recording and interpretation.

Alison explained that, with match funding provided by the Heritage Lottery Fund, everything is in place for a grant to be offered if the LAG approves the grant. The project has been to the SG for a pre-approval check which it passed as it is an OIC led partnership application. The LAG members agreed that the costs of the project were reasonable.

The LAG members agreed that this project offered a great deal of potential involvement across the Isles.

The Chair took the members of the LAG through the scoring criteria. The LAG members agreed that:

- The project present significant benefits across local and programme areas, as it incorporates much of Orkney.
- There is a high level of benefit for the funding being requested. The impact of the staffing will be a significant multiplier in the grant funding it will attract, given a small cost outlay on staff.
- Broad consultation has been carried out to demonstrate need and opportunity across the North Isles' representative groups
- The project will build capacity thought broad community involvement in development and delivery.
- The plan is robust and clearly identifies how the identified need or opportunity will be met, with realistic costs and timeframes. The project will have already passed rigorous scrutiny by the main match funder (Heritage Lottery Fund).
- The objectives and milestones identified are appropriate and appear achievable, but could have been more detailed.
- Appropriate potential barriers and risks have been identified as the project relates to staffing. There could have been more information regarding the continuation of the project post 2020 as there are still 3 years for the project to run and funding will need to be found.

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- Thorough and robust plans to address the barriers and risks are outlined, as they relate to the risks identified.
- The project is innovative and new to the local area.
- There are clear linkages with strategies at local and programme level and are wide ranging.
- There are strong social, environmental and economic linkages.
- The project intends to enhance the environment and there is a great deal of content.
- LEADER funding will allow the project to proceed which it would not otherwise.

With a score of 36, the project was **Approved** and a grant to be awarded would be up to £66,716.49 (36% LEADER contribution towards the approved eligible costs of £185,323.56).

The Chair thanked and congratulated Alison on completing her first meeting, and the meeting closed at 13.00.