

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.

1 May 2019 (11:00) – St Magnus Suite, Pickaquooy Centre, Kirkwall

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

LAG Members (Private) – Edgar Balfour, David Scarth, Mark Hull and Julian Branscombe plus Brian Cromarty for consideration of Promoting Orkney project only.

LEADER Team – Alison Barclay (LEADER Development Officer) and 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 3rd December 2015. The Chair also checked and confirmed that the public/private minimum 49/50 split was met.

1. Welcome and apologies

The Chair welcomed the LAG members to the final LEADER project meeting, and apologised for the late submission of projects papers, which had been due to LEADER staff being more lenient with deadlines for applicants to allow as many as possible to put projects forward for consideration. The Chair thanked the LEADER staff for their hard work in getting all the projects through to this stage.

The Chair also checked that there were no conflicts of interest in the farm diversification projects. Kerry Spence declared an interest in the Breck be South project.

Apologies had been received from Tom Duff, Steve Ray, Hannah Ker, Susan Pirie and Sarah Sankey.

2. Minutes of the Last Meeting

The Minutes of the meetings held on 6 February 2019 and 26 March 2019 were presented.

The Chair asked the LAG for any comments, or queries and, there being none, Julian Branscombe proposed that the 6 February minutes be approved and this was seconded by Edgar Balfour. David Scarth proposed that the 26 March minutes be approved and this was seconded by Phyllis Harvey.

3. Financial summary and outputs

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

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



Scottish Rural
Development
Programme



She explained that the Promoting Orkney project was asking for £135,000 in total (to include a series of STV adverts), but there is insufficient money available for this. If the LAG is minded to approve this project today it will be awarded £75,000, but if there is any underspend elsewhere the project can be awarded further funding in increments of £20,000 up to a maximum of £135,000.

Commitment by Category (3a)

- Commitment to date – 35 projects, £2.239 million commitment made to project costs (87% of current projects budget)
- Economic Business commitment has merged with the farm diversification budget to be 20% (target set by SG)
 - At 58%, leaving £212,928.36 to be committed to meet minimum 20% spend.

Next 3 budgets are considered one community budget by SG and funds can be moved between them:

- Community Support is currently set at 24%
 - At 95%, leaving £30,265.51 to be committed.
- Environmental support is currently set at 12%
 - At 84%, leaving £45,757.11 to be committed.
- Tourism, Heritage, Crafts, Food and Drink support is currently set at 23%
 - At 103%, leaving £-16,635.99 over budget.
- Cooperation support is set at 5% (target set by EU)
 - At 100%, leaving none to be committed
- Admin and Staffing is fully committed at 16%

Budget Summary (3b)

- Claims now coming in from projects regularly with 41.06% of the committed budget spent. Some of the larger scale projects are now getting underway with claims so anticipate this will rise steadily.
- 7 projects have now completed – fully spent with a collective underspend of £5,483.11
- Current admin budget 16% of total budget – spent 58% of this to the end Feb 19.

Anticipated applications (3c)

- Economic/Business/Farm Diversification – 5 applications to be considered today.
- The total budget available to allocate today is £272,314.99 plus the underspend of £5,483.11 giving a total of £277,798.10. The remainder of the community and

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



environmental budgets after balancing the tourism budget can be reallocated to the economic/business/farm diversification budget for the projects today. The total cost of the projects today is over the LAG budget however, the Promoting Orkney project can be split to allow for a grant of £75,000 with any further available funds to go towards the remaining £60,000 of their LEADER request.

Project Outputs (3d and 3e)

- Have information as per 35 Leader and 6 Flag applications approved to date and the completed 7 Leader and 1 Flag projects
- Farm diversification targets low as is spend but will increase after this round and the target will not be met largely down to planning issues as 23 farms enquired this round
- We are going to look more closely at project targets and try to reconfigure some once final round is over.

Match funding to projects Item 3f

- Illustrates the variety of match funding sources for each project up to round 11.

4. Enquiries received

None have been received as the LEADER programme is currently closed to new applications.

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

Item 5a gives an update on projects approved to date, but there was an error on page 2 in the update relating to the “Project Manager OCA” project – Orkney Tourist Group should read Creative Orkney.

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.

6. Projects as at 16 January 2019

The LAG members were provided with a list of current projects as at 19 April 2019 for their reference. The Chair asked if the LAG members had any questions relating to any of the projects. No questions were asked.

- Alison confirmed that the An Lanntair led co-operation project is now underway.

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



Scottish Rural
Development
Programme



- Both the Stromness Community Development Trust and Hall of Clestrain Project Manager posts have been advertised.
- It had been hoped that Highland LAG would make up the shortfall in Orkney's contribution to the Scottish Islands Passport project, but SG would not permit this. The possibility of the Highland LAG increasing their percentage rather than paying part of the Orkney percentage towards this co-operation project is now being investigated.

7. Dates of next meetings

This is scheduled to be the final project round of the Orkney LEADER LAG, although Alison advised that there may be the need for one further meeting before the end of June if one previously approved project does not proceed.

Going forwards, there will be a need for monitoring and evaluation and discussion on the future programme, and LAG Board members will be invited to these discussions.

8. AOCB

- Alison advised that further changes to the business plan will be circulated to LAG Board members for approval.
- Alister Brown offered to help with revising the business plan.
- The Chair thanked all staff involved in the LEADER programme, both past and present, for their hard work and for all the help they have offered to applicants.

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



Scottish Rural
Development
Programme



9. Assessment of Round 13 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
- 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

Alister Brown was thanked for his assistance with the Economic Assessments on all the farm diversification projects to be considered.

Blackhall Holiday Cottages – 14/P00062

A farm diversification project – to build one 3-bed self-catering cottage on the farm allowing guests to experience a little bit of farm life including meeting highland cattle, hens and ducks. Access will be available to a designated Local Nature Conservation Site on the farm which boasts a variety of wildlife and plants.

Some recreation facilities (e.g. pool table, darts, barbecue, bicycles) will be available for guests to use in a converted farm building.

Letters of support have been received for the project from Visit Scotland, Brecks Self-Catering, Orkney Farm Tours, Orkney Tweed and RSPB.

The project is likely to lead to economic benefits for the local area with a greater number of visitors and with local foods available in welcome hampers and local crafts on display in the cottage. It will also provide economic benefits for the farm by giving an additional income stream.

Social benefits include enabling the next generation to continue to run this agricultural business by providing another income stream and by giving visitors with limited mobility greater holiday opportunities.

Environmental benefits of the project include protecting and preserving the environment, exposing visitors to a wide variety of wildlife and birds, and encouraging the use of recycling and composting facilities by visitors.

Planning permission is still required before a grant offer can be confirmed. This is expected by 25 May.

Match funding is from the applicant, and confirmation from the applicant's bank will be provided if the LEADER grant is approved.

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



Scottish Rural
Development
Programme



A Reasonableness of Cost Assessment and an Economic Assessment have been carried out on this project.

The Chair took the LAG members through the scoring criteria, and the following was agreed:

- A. The project will have significant benefits at a local level .
- B. The contribution to outputs is proportionate to the funding being requested.
- C. The applicant has amassed a lot of evidence and the market analysis presented demonstrates need or opportunity.
- D. The applicant puts forward a strong business plan, which is robust and clearly demonstrates how the identified need or opportunity will be met.
- E. The objectives and milestones are appropriate and appear achievable.
- F. General potential barriers and risks have been identified, including occupancy rates, but contractor delays have not been considered as a risk.
- G. Appropriate plans have been identified for these barriers and risks listed.
- H. The project will be offering a unique range of facilities and access to on-farm wildlife, which is innovative to the local area.
- I. The project links with the Scottish Tourism Alliance 2020 Strategy and the Food Tourism Scotland Action Plan as well as Visit Scotland Year of Coasts and Waters in 2020.
- J. There are good linkages with economic and environmental criteria.
- K. The project will protect the environment.
- L. The project would not be able to proceed without LEADER funding.

With a score of 28 the project was **Approved**, and the grant to be awarded will be £83,000 (33.65757200% contribution towards approved eligible costs of £246,601.27), **conditional upon full match funding being in place, and planning permission being granted.**

Kerry Spence left the meeting at this point as she had declared an interest in the next item.

Breck be South Long Term Let – 14/P00060

This is a farm diversification project to carry out improvements to a redundant farmhouse and outbuilding to attain a high quality, affordable, long term let.

It will convert the outbuilding into a usable space for a small business which could benefit the local community.

Letters of support have been received for the project from Alistair Carmichael, Birsay Community Association, Cllr. Tierney, Cllr. Tulloch, OIC Convenor, Birsay Community Council and a prospective tenant.

The project is likely to lead to economic benefits for the local area by injecting additional cash into the economy through the occupation of a currently redundant house and a locally based business. It will also provide an additional income stream for a local farming family.

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



Scottish Rural
Development
Programme



The project will assist with local social cohesion as the location of the property will enable the tenant to fully integrate into the local community.

Environmental benefits of the project will include the tenant being able to work from home thereby reducing vehicle emissions and road usage caused by commuting, and by the use of high-quality insulation in the buildings.

Match funding from the applicant's own funds is in place.

Planning permission is still required before a grant offer can be confirmed. This is expected by 3 June.

A Reasonableness of Cost Assessment and an Economic Assessment have been carried out on this project.

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

- A. The project will have significant benefits at a local level .
- B. There will be a high level of benefits for the funding being requested, and the grant requested is quite small.
- C. The applicant has undertaken a lot of consultation, including with OIC Housing, and the market analysis presented demonstrates need or opportunity.
- D. The applicant puts forward a strong business plan, which is robust and clearly demonstrates how the identified need or opportunity will be met.
- E. The objectives and milestones are appropriate and appear achievable, and are within a reasonable timescale.
- F. General potential barriers and risks have been identified, including delays due to inability to find a suitable tenant and damage caused to the property by a tenant.
- G. Appropriate plans have been identified for these barriers and risks listed.
- H. The planned use of the building is innovative for the local area.
- I. The project links with the Scottish Government's Rural Economy Framework, and also the recently launched Rural Housing Scotland and Scottish Rural Action campaign.
- J. There are good linkages with economic and social criteria.
- K. The project will protect the environment by the re-use of an existing building.
- L. The project would not be able to proceed without LEADER funding.

With a score of 29, the project was **Approved** and a grant to be awarded would be up to £19,424.75 (49.99998713% LEADER contribution towards the approved eligible costs of £38,849.49), **conditional upon planning permission being granted**.

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



Scottish Rural
Development
Programme



Kerry Spence re-joined the meeting at this point.

Bain Farm – 14/P00061

Bain Farm is a farm diversification project to convert two-story stone-built former thrashing mill, situated in the steading, into three self-contained self-catering apartments with a bicycle hire store, drying room and maintenance workshop.

The applicant will also develop a portfolio of suggested routes for visitors and locals, which would be provided both through an app and as part of an information pack.

Letters of support have been received for the project from Birsay Bay Tearoom, Orkney Brewery, Fern Valley Wildlife Centre, Orkney Folklore and Storytelling Centre, Hume Sweet Hume, Cycling Scotland, Scapa Distillery, Ness of Brodgar Trust, Raff Fit and a New Zealand triathlete.

The project is likely to lead to economic benefits for an alternative farm income stream and by working with local businesses to market their products and services. There could be reciprocal benefits by cross-promotion between the project and local businesses, and some local support for this idea has been indicated.

Social benefits revolve mainly around the portfolio of app and information pack which would cover the mainland and the isles. It would assist visitors planning a cycling holiday with routes and places to visit. The provision of adaptive bicycles will enable those with disabilities to take part in cycling activities.

The applicant hopes to attain Scottish Tourist Board Green Tourism Accreditation, both by lowering the carbon footprint of the self-catering accommodation and by promoting active/green tourism.

Planning permission is still required before a grant offer can be confirmed. This is expected by 21 June.

If the project is approved only a “decision in principle” can be given as final building costs have still to be provided. A reasonableness of cost assessment will be undertaken when all costs have been finalised.

The LAG was asked to approve the maximum amount of grant to be awarded to the project. The applicant understands that any offer of grant could be reduced if costs are less than estimated, but cannot be increased.

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

- A.** The project will have significant benefits at a local level.
- B.** The contribution to outputs is proportionate to the funding being requested; the applicant is doing quite a lot with the project funding.
- C.** The applicant has undertaken a lot of local consultation with local businesses.

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



Scottish Rural
Development
Programme



- D. The applicant puts forward a viable business plan, but there are concerns about the off-peak income expected from the business, and the use of bike hire being restricted to guests (although the latter is a planning stipulation).
- E. The objectives and milestones should be reviewed, in view of the time still required to obtain builders' quotes and planning consent.
- F. General potential barriers and risks have been identified, although contractor issues have not been considered.
- G. Appropriate plans have been identified for those barriers and risks listed.
- H. The planned use of the building and the cycle facilities is innovative for the local area.
- I. The project links with the National Cycle Friendly Programme and the Orkney Tourism Strategy.
- J. There are good linkages with economic criteria through the creation of part-time employment and environmental criteria by the encouragement of green transport.
- K. The project will protect the environment.
- L. The project could not proceed without LEADER support.

Additional comments:

The applicant should be asked to look again at the delivery milestones as they are not currently very realistic. He also needs to look at the risks associated with not get timely contractor quotes or planning approval.

Mark Hull from Community Energy Scotland advised that his organisation may be able to assist through the SMILE project, and asked that his details be passed to the applicant.

With a score of 26, the project was **Approved** and the grant to be awarded would be up to £75,000 (33.54025284% LEADER contribution towards the approved eligible costs of £223,611.91). Match funding is in place from the applicant. This is a **"decision in principle"** only until project costs have been submitted and approved by an independent reasonableness of costs assessment. Any grant awarded will be **conditional on planning permission being granted**.

Redland Luxury Lodges – 14/P00056

This farm diversification project is to build a 2-bed self-catering unit to create a holiday destination for young folk and young families. This project has been designed to fit exclusively with the "Are Ewe Ok?" campaign run by the Young Farmers, by offering discounted stays and breaks.

Reiki sessions and training will be available to those interested, this gives another aspect to the wellness retreat and something different on offer to guests at Redland Farm.

Letters of support have been received for the project from Visit Scotland, Orkney Young Farmers, Firth Community Association and Grimbister Farm Cheese.

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



Scottish Rural
Development
Programme



The project is likely to lead to economic benefits for the farm as an alternative source of income and to local companies with local foods available in welcome packages, and the promotion of local food suppliers to visitors. A part-time seasonal employee will be hired to help with cleaning, which will provide additional employment in the area.

Social benefits include provision of farm-based holidays for those who need time out and space from their daily lives.

Environmental benefits of the project include the inclusion of the highest standards of insulation and window glazing in the cottage, and improved access for visitors to local woodland and SSSI, with their association wildlife.

Planning permission is still required before a grant offer can be confirmed. This is expected in mid-May.

Match funding confirmation is required, which will be provided if LEADER grant is approved.

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

- A. The project will have significant benefits at a local level.
- B. There will be a high level of benefits proportionate to the funding requested.
- C. The applicant has undertaken local research into the need for this type of project.
- D. The applicant puts forward a viable business plan, with appropriate delivery mechanisms, realistic costs and timeframes, although the success of the business will depend upon occupancy rates.
- E. The objectives and milestones should be reviewed – the first milestone date has been set for 1 July 2019, but planning consent has not yet been given for the building works.
- F. General potential barriers and risks to the plan have been identified.
- G. Appropriate plans have been identified for those barriers and risks listed.
- H. The project is aimed at Young Farmers, who will be offered a discount, which is innovative in the local area.
- I. The project links with the national Young Farmers' "Are Ewe OK?" campaign, as well as the Council Plan 2018 – 2023, the Visit Orkney Strategy and Empowering Communities locally.
- J. There are good linkages with economic criteria through the creation of part-time employment and the use of local produce, and also with social criteria.
- K. The project will protect the environment. Although it is a new build, it will provide better access to woodland and a local SSSI.
- L. The project could not proceed without LEADER support.

Additional comments:

The applicant should be asked to look again at the delivery milestones as they are not currently very realistic.

With a score of 27, the project was **Approved** and the grant to be awarded would be up to £25,000 (30.57131677% LEADER contribution towards the approved eligible costs of

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



Scottish Rural
Development
Programme



£81,776.00), conditional upon full match funding being in place, and planning permission being granted.

Brian Cromarty joined the meeting at this point, and the Chair thanked him for attending at short notice in order to make the meeting quorate for the assessment of the Promoting Orkney project. All HIE and OIC representatives left due to match funding interests in the next project. David Scarth took over the Chair.

Promoting Orkney – 14/P00064

This is a business/enterprise project from Orkney Islands Council, which involves the digital marketing of Orkney as a place to visit, live, work and study and to invest in or buy from, focusing on talent attraction and on a greater international effort.

It will be delivered through four contracts for: social media & webmaster/website management; film & photography; media & PR; promotion of Orkney.com in target markets as well as additional marketing activity in the form of STV TV advertising of Orkney over 6 months.

Letters of support from over 50 businesses and individuals have been received, including Alastair Carmichael MP, NHS, Orkney Food and Drink and Creative Orkney, Robert Gordon University and many more along with facebook and twitter comments.

The project is likely to lead to economic benefits from increased awareness and recognition of Orkney and its products and services both nationally and internationally.

The project will demonstrate social benefits by helping to attract talented people to Orkney for jobs further enhancing the community.

The project has a few environmental benefits largely through promoting responsible tourism and reducing the need for printed materials for tourists through the Orkney.com website.

Although the total cost for the project is £270,000 the project is split in two parts as follows:

- the first part would be for the 4 main contracts with a project cost of £150,000 and a LEADER contribution of £75,000;
- the second part would be for advertising on STV - if any further LEADER funds become available the project can be awarded further funds for the STV adverts in increments of £20,000 for adverts for 2 months.

All match funding is approved and in place, tenders have been returned but not awarded yet.

A Reasonableness of Cost assessment has been carried out, and the project has satisfactorily completed a Scottish Government pre-approval check.

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

- A. The project will have significant benefits at a local and programme level.
- B. Although the funding requested is quite high at £75,000, the project contributes proportionately to the aims of the Orkney LEADER programme.

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



Scottish Rural
Development
Programme



- C. Limited consultation has taken place. It is difficult to evidence need/demand for this type of project.
- D. The project has engaged with individual businesses, and various industry sectors, but there has been limited direct community engagement.
- E. The project plan is well developed and robust with clearly defined and realistic costs and timeframes.
- F. The objectives and milestones identified are specific and appear achievable.
- G. 5 potential risks and barriers have been identified, all of which appear appropriate.
- H. All identified barriers and risk have been adequately addressed.
- I. The project is innovative in its use of TV advertising.
- J. The project has clear linkages with strategies at a local level and programme level as well as at a National and European level.
- K. There are strong linkages between the project and social and economic criteria.
- L. The project will have a minimal negative impact on the environment.
- M. The project could not progress without LEADER support.

With a score of 30, the project was **Approved** and the grant to be awarded would be up to £75,000.00 (50% LEADER contribution towards the approved eligible costs of £150,000.00). Match funding from OIC Economic Development and Highland and Islands Enterprise has been approved.

Further funding, up to a maximum to £60,000.00, was also approved should further LEADER funding become available; this is to be used for STV advertising, and has match funded from the STV Growth Fund in place.

The meeting closed at 13:00.

Approved by:Date:
Francesca Couperwhite (Chair)

Approved by:Date:
David Scarth (Acting Chair for the Promoting Orkney project 14/P00064)

The minutes were proposed by Julian Branscombe and seconded by Edgar Balfour via e-mail on 16 May 2019.