

Orkney LEADER/EMFF Programme 2014-2020

“Leading Resilient Growth in Orkney”



Programme Review

To 31 December 2018

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



Scottish Rural Development Programme



Programme Aims

The Orkney LEADER Programme aims to 'achieve an increase in sustainable employment and incomes, and in social cohesion and quality of life, and to conserve and enhance the high quality of heritage and environment whilst maximizing the benefits of economic, social and environmentally sustainable terms'.

LEADER and EMFF funding will therefore be used to help support the local economy and communities to become stronger and more resilient, building capacity within communities. To achieve this, core themes were identified as priorities for the Orkney LEADER and EMFF programme, these being:

- Support for small business and enterprise start-up, growth and diversification
- Support for Orkney's tourism, cultural heritage, crafts and food and drink sectors
- Support for Orkney's community services and facilities
- Support for Orkney's natural environment and development of sustainable energy
- Support for development of Orkney's fisheries sector and communities

Introduction

Following submission of the Local Development Strategy and Business Plan in September 2014, the Orkney LEADER programme was awarded an indicative allocation of just over £2.5 million of LEADER funding in August 2015. This was followed by a further allocation of £482,000 of European Maritime and Fisheries Funding in March 2016.

Since the Orkney LAG held its first meeting to allocate funds in June 2016, a further 9 rounds have been held, resulting in just over £1,500,000 being allocated to 30 projects.

The Fisheries Local Action Group, having held 5 meetings in total, have allocated 94% of the available budget.

Summary of LEADER Activity up to 31 December 2018	
Number of LAG meetings supported	12
Number of LEADER enquiries received	223
No of LEADER expressions of interest received	131
Number of LEADER applications presented to LAG	34
Number of LEADER applications approved	30
Number of applications awarded a Decision in Principle which expired	1
Total amount of LEADER funding allocated to projects	£1,518,969.98

Summary of EMFF Activity up to 31 December 2018	
Number of FLAG meetings supported	5
Number of EMFF enquiries received	19
No of EMFF expressions of interest received	9
Number of EMFF applications presented to FLAG	4
Number of EMFF applications approved	4
Total amount of EMFF funding allocated to projects	£453,866.77

Local Action Group

The Local Action Group (LAG) is responsible for the strategic direction and implementation of the LEADER programme in Orkney, including making decisions on applications for funding. The LAG represents a wide range of interests and is made up of representatives from Orkney's public, private and voluntary sector.

The LAG met 4 times in 2018, but no further FLAG Board meeting were held during the year.

Although LARCs is available to the Local Action Group members to use to assess project applications, the LAG has taken the decision to utilise a paper-based system, where a project appraisal is presented with the salient points on the application. One of the factors in the LAGs decision not to utilise LARCs to assess projects was due to poor broadband connectivity – which meant that not all LAG members would be able to easily access the information on LARCs to adequately prepare for the assessment of the applications. The LAG also felt that the amount of information which is available on LARCs would be too much for members to fully consider. Generally, LAG members are providing their time on a voluntary basis and therefore they would not have adequate time to review all the information and documentation available before a meeting. The LAG appreciates the paper-based system being used as it gives them the relevant facts in an easy to read manner and therefore plan to continue with its use.

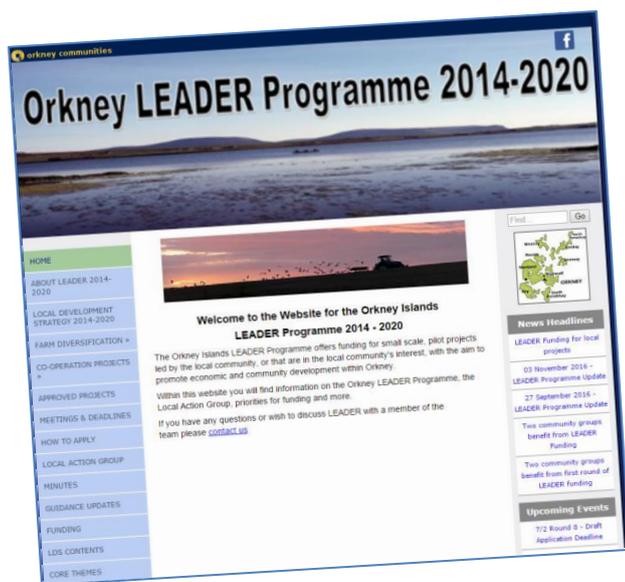
Despite having a good number of members within the LAG and LAG members making every effort to be available for meetings, the LAG has found that due to the requirements associated with conflicts of interest, this has significantly restricted the members who can be involved in decision making on some applications. This has meant that it has in some instances been difficult to guarantee a meeting will be quorate so decisions can be made. It is appreciated that LAG members with a direct conflict of interest should certainly not be involved in decision making on an application, however, it is where the member has a conflict by association, for example, where a member may work for a match funder organisation but in an entirely separate department and so has no knowledge of the application, this severely limits the membership that can be involved, and it is recommended that a more pragmatic approach be adopted for any future programmes.

Members of the LAG during 2018 were:

Name	Organisation	Interest/Focus	Membership
Francesca Couperwhite (Chair)	HIE Orkney	Community economic development	LAG and FLAG
Phyllis Harvey (Vice Chair)	Orkney Islands Council	EU Liaison	LAG and FLAG
Susan Pirie	Scottish Agricultural College	Agriculture	LAG
David Scarth	National Farmers Union	Agriculture	LAG
Stephen Ray	Sanday Development Trust	Economic / Social Development within Isles Communities	LAG and FLAG
Julian Branscombe	Papa Westray Development Trust	Economic / Social Development within Isles Communities	LAG
Dawn Flett	Orkney Tourism Group	Tourism	LAG
Mark Hull	Community Energy Scotland	Renewable energy	LAG
Alister Brown	Orkney Islands Council	Community economic development	LAG
Kerry Spence	Orkney Islands Council	Community learning and development	LAG
Brian Cromarty	Voluntary Action Orkney	Youth development	LAG
Hannah Ker	Voluntary Action Orkney	Funding and training support	LAG
Issy Grieve (replaced by Bill Ross in April 2018 and by Tom Duff in October 2018)	Orkney College (UHI)	Education and research	LAG
Edgar Balfour	Orkney Food and Drink	Crafts and Food and Drink	LAG and FLAG
Sarah Sankey	Royal Society for the Protection of Birds	Conservation and environment	LAG
Fiona Matheson	Orkney Fisheries Association	Fisheries	FLAG
Stewart Crichton (replaced by Kate Rydzkowski in September 2018)	Orkney Sustainable Fisheries	Fisheries	FLAG
Fiona MacInnes	Orkney Fishermen's Society	Fisheries	FLAG
Alan Coghill	Orkney Fish Producers Organisation	Fisheries	FLAG
Dr Michael Bell	Heriot-Watt University - International Centre for Island Technology	Life Sciences	FLAG
Mark Shiner	Orkney College	Maritime Studies	FLAG

Animation

Dedicated LEADER and EMFF websites are being maintained and updated with information on projects approved. A Facebook page has also been used to share information on LEADER, as well as other funds and to share video case studies on completed projects. To fully realise the potential of the Facebook page, however, requires more staff input going forward.



These tools, alongside the issue of traditional press releases and Radio interviews, have been used to help advise potential applicants of the kind of activity that would be likely to fit with the Local Development Strategy.

Direct one to one advice has also been provided. In addition to this the LAG has been represented at LEADER networking and knowledge sharing events held nationwide.

A specific information evening on farm diversification was held in November 2017, which was attended by approximately 30 farmers, leading to a significant number of Expressions of Interest. Two farm diversification projects were successful in 2018 in being awarded a grant. A further publicity focus on farm diversification

projects took place over the Christmas 2018 period to encourage potential applicants to register an expression of interest and take forward to their application for the final rounds in 2019.

Priority in the coming year is to continue to publicise LEADER awards and completed projects to encourage further eligible applications to come forward in order to fully utilise the LEADER budget. This publicity will be focused in the early part of 2019 to encourage potential applicants to start planning applications well in advance of the final deadline for approvals at the end of March 2019 of co-operation projects and end of June 2019 for Leader projects. The FLAG budget must be committed by the end of September 2019.

LEADER Enquiries and Applications

Since the beginning of the Programme 223 enquiries have been received, involving project ideas from around Orkney. From these enquiries, 131 have come forward as Expressions of Interest, with 26% (34) of these Expressions of Interest having been taken forward as full applications for consideration by the Local Action Group. This has resulted in a total of £1,518,969.98 of LEADER funding committed. Of the 30 projects supported, 23 have been Community and Strategic Projects (attracting 79% of the total approved LEADER funds), 4 are Business Support Projects (13%), 2 are Farm Diversification projects (7%) and there is 1 Co-operation project (3%).

It has been found that with the introduction of LARCs, applicants require a significant amount of help to complete their application within the system, with significant staff time required to explain the system and review draft applications to help ensure that applicants have completed all the information needed.

It has also been found that applicants have been reluctant to apply to LEADER due to the process being perceived as carrying a heavy administrative burden, not only at application stage but in live project management. A number of applicants have submitted what appeared to be viable Expressions of Interest, however, they have not pursued them when the requirements of the application and subsequent administrative requirements have been further explored. A change in the conditions of the Offer of Grant however should make the process slightly more flexible going forward with live projects able to make grant claims against agreed milestones rather than on completion of a milestone.

Of the 30 approved, five have successfully completed: an upgrade to the Burray Hall; the installation of an artificial bowling green at Brandyquoy Park in Kirkwall; a feasibility study for the Orkney Boat Haven; improvement to the Town House Garden in Stromness and the creation of a play park at Birsay Community Centre. Details of all projects approved are provided overleaf.

There are a number of potential projects currently being worked up mainly under the specific theme of farm diversification, and also some further potential co-operation projects being considered. It is anticipated that press advertising at the end of 2018 will generate further Expressions of Interest for farm diversification funding. The Scottish Government announced on 2 October 2018 that the Treasury Guarantee of July 2018 would cover LEADER programme and contracts could be entered into up until 31 December 2019. At the Accountable Bodies Board meeting on 4 October 2018 it was agreed that all LAG's should have contracts in place by 31 March 2019 for co-operation projects and 30 June 2019 for all other projects, in order that unused funds could be reallocated between LAG areas to meet co-operation and farm diversification/economic and business targets for the overall programme. It is anticipated that there will be 2 further LAG Board meetings in 2019 to assess farm diversification and co-operation projects.

LEADER Projects Approved

Round 1		
Upgrade to Burray Hall	£35,033.27 (50%)	Feedback from the local community demonstrated a need for an upgrade to the fabric of the building and a desire to see an increase in the type of activities offered for all ages. Whilst securing the fabric of the building, the Association also included energy efficiency measures and an upgrade to the kitchen as it was no longer suitable for use. These improvements were complemented by provision of new equipment which aims to cater for all ages and abilities. By carrying out this project it will allow the hall to encourage more users, increasing the viability of the hall, allowing it to remain a central hub and focus for community activity. This project has now been completed.
Installation of Artificial Surface at Kirkwall Bowling Club	£68,721.00 (49.61%)	This project involves the installation of an artificial outdoor bowling green at the Kirkwall Bowling Club. The exceptionally inclement weather during 2015 underlined the need for an artificial surface. Installation of the surface will allow play to be assured irrespective of weather, extending the playing season and thereby increasing the opportunity for members and non-members to use the facility. The Club hopes that this will attract more people of all ages and backgrounds to participate in an activity which can be tailored to their ability and fitness level, benefiting their well-being. This project has now been completed.
Round 2		
Birsay Play Park	£14,661.35 (50%)	This project will see a new play park created in the grounds of the Birsay community hall. As well as play park equipment, the area will be landscaped to provide a sheltered garden area with seated picnic area and BBQ. It is hoped that the project will also help to bring the community together by designing and final volunteer landscaping/gardening opportunities. This project has now been completed.
Stromness Town House Garden Improvement	£45,990.87 (50%)	An outdoor multipurpose community space within the heart of Stromness is to be constructed, incorporating stone paving to complement the surrounding historic setting, seating and planting beds. This will create a community area in the town centre which will be open to casual use year round by the public as a space to relax. An easy to erect, removable canopy will allow the area to be used as a performance space for cultural events, encouraging footfall in the town. This project has now been completed.

Round 3		
Digital Media Orkney	£174,000.00 (50%)	This is a 3 year project which aims to develop and transition Orkney's collective marketing activity to fulfil an increasing requirement for digital media and content. The project will enable an integrated step change in the external promotion of Orkney's four key sectors – tourism, food & drink, creative industries and energy, coupled with promotion of Orkney's communities and activities, demonstrating to the wider world that Orkney it is an excellent place to live, work, study, do business and visit.
Ness of Brodgar Development Project	£72,010.35 (50%)	This project will fund the appointment of a Full Time Manager for the Ness, for a 24 month period, to concentrate on developing the full potential of the site as an excavation of world importance, as an educational resource, to explore the potential to be a sustainable visitor attraction and to grow Orkney's visitor market with its associated spin offs in terms of increased sustainable employment and income. This new post will be supported by a 0.5 FTE project officer to assist the Manager, organise post-excavation, and project specific administration.
Orkney Boat Haven/Museum Feasibility Study	£4180.00 (47.5%)	This project will see a feasibility study being carried out to assist the Orkney Historic Boat Society (OHBS) in determining the viability and achievability of establishing a Boat Museum/Haven of national importance in Stromness. The Museum would incorporate an interpretation centre including aspects of Orkney's maritime heritage. It will also serve as a base for a boat building training programme and boat restoration. This project has now been completed.
Westray Circular Economy Growers	£45,995.66 (49.54%)	Westray sits at the end of a very long wholesale supply chain of fruit and vegetables. This pilot scheme aims to erect two greenhouses, built specifically to withstand the local weather and grow a small but experimental range of produce in each of the systems, one being traditional soil, the other hydroponics, giving the opportunity to measure the success of each space. Taking advantage of the long summer daylight hours and complimented with a heating and lighting system, the aim will be to push the boundaries of the growing season, aiming towards developing a reliable and sustainable crop.

Round 4		
Veg, Visitors and Vibrancy for Papa Westray	£57,148.25 (49.99%)	The Veg, Visitors and Vibrancy for Papa Westray project provides Papay Development Trust (PDT) with a springboard to establish a market garden and a seasonal ranger service. The principle aims of the project are to generate economic activity which has long-term viability and benefits all residents and visitors, to develop the profile of the island as a place to visit, live and work, whilst offering an outstanding visitor experience and to provide fresh local food, engage people through satisfying, mutually-beneficial volunteering and encourage healthy eating. There are also volunteering opportunities which will provide a supportive and beneficial environment.
Farming for Wildlife: Supporting People, Sustaining Nature	£86,793.23 (34.55%)	Our project will conserve wildlife species for which Orkney is a stronghold. As well as creation and management of habitats on nature reserves, action is needed across Orkney to secure their future of many internationally important species. There are currently no opportunities within Orkney for people to develop skills to conserve these species. This project will restore habitat in a reserve on Egilsay, by creating a wildlife friendly farming operation, and create optimal habitat for key species. The project also aims to develop and deliver a training programme, an education programme for schools, to improve access and interpretation, to deliver a visitor engagement programme and to enhance the reserve for the benefit of local people and visitors, with the ambition to increase wildlife tourism which will boost the local economy.
St Magnus Way Phase 1	£9,696.04 (50%)	This project aims to establish the St Magnus Way, a 51-mile pilgrimage route through Mainland Orkney, with resources to assist in interpretation and engagement, which include a website and smartphone app.

Round 5		
Printmaking for Me and YOU	£22,088.46 (40.77%)	Printmaking for me and YOU is a 2-year initiative by Soulisquoy Printmakers (SPW) that focusses on developing and delivering new and imaginative opportunities within the local community for creative and artistic participatory activity centred around traditional printmaking. Two part-time members of staff will be employed to help deliver regular support sessions, classes and workshops, masterclasses and exhibitions and displays of work created on workshops and classes. The project will provide access to expertise and equipment in a structured and supported environment which will greatly enhance the cultural and recreational offer of Stromness and Orkney.
Project Manager (Orkney Crafts Association)	£66,415.00 (50%)	This project involves the employment of a part-time (0.5 FTE) project manager to support the growth and development of the businesses involved in the arts and crafts sector in Orkney. The Project Manager will work to enhance promotion of the sector both within and outwith Orkney and Scotland and will ensure that Orkney maintains and grows its excellent reputation for quality of product and design. This in turn will lead to achievement of the main aims for the project: increased sales for businesses, the confidence to develop new products and enter new markets, and the creation of new jobs. Therefore the impact on Orkney's economy is significant.
Project Manager (Orkney Food and Drink)	£48,715.00 (50%)	This project involves the employment of a part-time (0.5FTE) project manager to support the development and growth of the food and drink sector in Orkney, which is a key growth sector for the area and for Scotland. The Project Manager will work to provide greater promotion of the sector both within and outwith Orkney and Scotland and will ensure that Orkney maintains and grows its excellent reputation for the quality of produce. This in turn will lead to achievement of the main aims for the project: increased sales for businesses, the confidence to develop new products and enter new markets, and the creation of new jobs. Therefore the impact on Orkney's economy is significant.
Collections Development Team	£75,078.00 (50%)	The proposal is to establish a Collections Development Team comprising three part time posts, all 0.4FTE, of Curator, Museum Officer and Exhibition Assistant. In addition to these 1.2 FTE posts, specialists will be commissioned on an as required basis to deal with IT and photography requirements. The aim for the project is to work towards the recognition of Stromness Museum's collection as a Collection of National Significance accredited by Museums Galleries Scotland, should lead to greater financial security by providing external validation of the Museum's credibility to potential funders.

Scapa Flow Museum Development	£125,000.00 (48.60%)	<p>The overall project aims to restore and conserve the war time naval buildings at Lyness, Hoy, home of Scapa Flow Visitor Centre & Museum. This application is to specifically support significant enhancement of the interpretation of artefacts and the buildings themselves, update displays and significantly improve exhibition and interpretation across the site.</p> <p>As the major visitor attraction on Hoy, the Museum currently attracts approximately 14,000 visitors a year and it is expected that the improved exhibitions and site to attract upwards of 17,000 on completion. Hoy will also benefit in terms of increased employment and enterprise opportunities, high demand for ferry travel and more people visiting the island will have a positive effect on other island heritage attractions, services and businesses.</p>
Lifestyles Public Art Project	£5,118.50 (50%)	<p>This project will appoint a locally based artist(s) to work with service users and staff of the Lifestyles Centre to develop and create public artwork(s) for the new building located at the Pickaquoy Centre. The project will enable adults with a wide range of learning disabilities to participate in a series of creative workshops which will lead to the production of a collaborative public work of art for permanent display within the Lifestyles Service building. The project is also envisaged as a mechanism to break down general negative perceptions of “care” facilities, by raising awareness of individual’s abilities and engaging the wider public in the development and presentation of the artwork(s). Finally, as a result of the project, the centre’s staff will have the skills and be empowered to work more creatively with service users in the future.</p>
Round 6		
Building Destination Orkney	£69,182.71 (49.99%)	<p>Recognising the competitive threat from other tourism destinations, and the necessity of an innovative response, the Orkney Area Tourism Partnership has agreed to transform itself into a more dynamic, integrated entity called Destination Orkney, with the Orkney Tourism Group (OTG) at its core to ensure industry leadership. This project aims to recruit a Chief Executive who will be responsible for leading OTG through a process of change and re-invention, implementing the new Destination Orkney structure and delivering key parts of the action plan and marketing plan.</p>

Round 7		
North Ronaldsay Development Manager	£20,749.97 (49.99%)	By implementing the Community Development Manager project the aim is to achieve an increase in population for North Ronaldsay, with an economic growth through a variety of industries: farming, tourism, crafts, food & drink, cosmetic. Initially the plan is to increase available housing thereby increasing the population, and the possibility of the school being used. The benefits from an increase in population will create a more sociable vibrant community and with the potential of additional employment a more prosperous community. Ultimately the main objective would be following through on all of the aims within the development plan would be to leave a legacy of a self-sustaining community being part of a larger network of islands in Orkney.
Upgrade of Sandwick Community Centre	£45,726.63 (47.49%)	The aim of this project is to upgrade the facilities at the Sandwick Community Centre, Sandwick, Orkney. Though the hall has been well maintained, the hall is in need of some modernisation, in particular the windows, doors, insulation and heating system are past the end of their useful life. The community is keen to be more energy efficient. The upgrading will ensure that the hall will be cheaper to heat and be a warm, more welcoming and safer environment for all its users.
Deerness Hall Extension	£107,009.39 (46.20%)	The purpose of the project is to extend Deerness Hall to create a permanent stage, have a multipurpose room and add more showers, toilets and a sluice for emptying chemical toilets. This would make the Hall a more attractive venue for events and encourage more campers and visitors to the play park. The project would also change the heating system for the main Hall from electric ceiling heaters to air source heat pumps.
Round 8		
Graemsay Community Hall Development	£20,039.00 (47.49%)	The purpose of this project is to upgrade the community hall, to keep it usable for the next generations. The hall is central to the island community, used by everybody for social functions, events and meetings. There are currently no toilet facilities; the roof does not withstand the Orcadian weather conditions; the current heating system is ineffective, unsafe and expensive to run; and the doors and windows are neither draught- nor water-proof.
Wheems Eco Bothy		The aim of this project was to build an environmentally friendly bothy providing self-catering and workshop space. However, after the project was given LAG approval in April 2018 the applicant withdrew, and no offer of grant was made.

Round 9		
Orkney Sailing Club Development and Access programme	£37,263.79 (47.49%)	The project aims to establish a fleet of Club boats that can be used by existing, new and prospective members for training and racing. This will see an established fleet of dinghies, along with safety equipment, wetsuits and a purpose built safety boat that are available to the community to engage in sailing without having to purchase their own equipment, ensuring that sailing in Orkney is as accessible as possible. This improved fleet will provide access to training opportunities for new and existing members across Orkney and increase sailing activity in Orkney, thereby increasing OSC membership and overall future sustainability.
Lower Cottiscarth	£75,000.00 (26.22%)	This farm diversification project is to build three self-catering units comprising of one three-bedroomed unit and two, two-bedroomed units. The houses will have air-to-water underfloor heating, with fully double-glazed windows. The windows will face in an easterly direction overlooking the Hen Harrier hunting ground below. During the off-season the development will be marketed as promoting Dark Skies with the telescopes provided to be used at night to view the Northern Lights and stars. The development will use local suppliers and have free wi-fi for the guests. The development will help the long-term future of the farm by providing another source of income not directly from the price of beef and lamb.

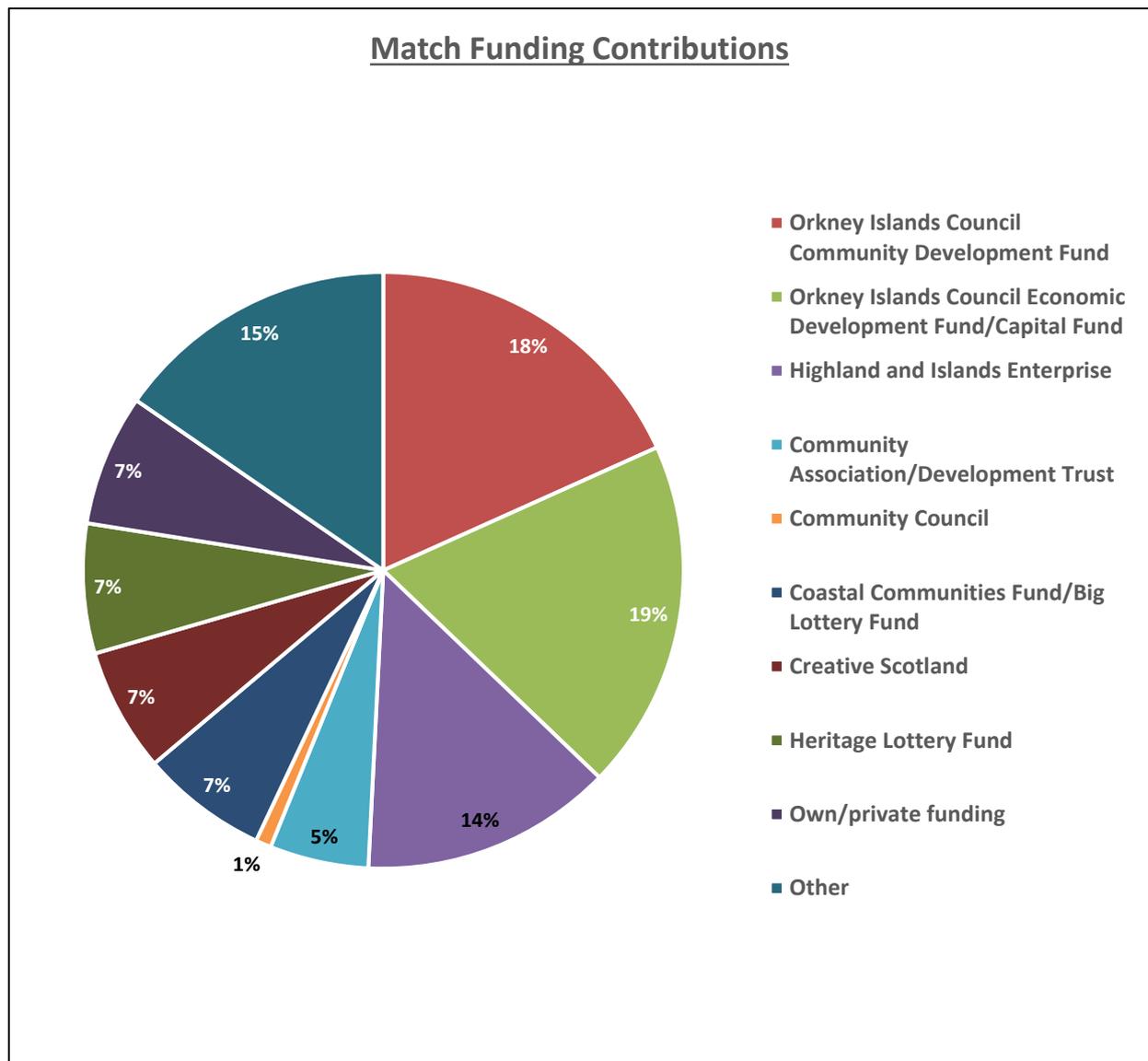
Round 10		
Making Yoghurt and Farmhouse Cheese	£30,208.45 (49.99%)	A farm diversification project to diversify an existing dairy farm into a facility making yoghurt and farmhouse cheese from milk produced by the farm's own dairy herd. The project will include renovating old farm building to create a dairy, office, toilet and change area. A refrigerated van will be purchased for the transportation of finished products. The dairy will be equipped with specialist dairy equipment and machinery to conform to Regulation (EC) no. 853/2004 and environmental health legislation.
Linkshouse Residency Centre	£18,839.52 (9.8%)	The project is to convert and upgrade the interior of Linkshouse, a substantial domestic building. The upgraded house will create an adaptable and accessible residency facility with studio provision for individual or group use, thus establishing a permanent facility for educational and creative residencies in Orkney. The Linkshouse Residency Centre will represent a significant opportunity for the Pier Arts Centre to establish a new and sustainable revenue stream to improve the resilience of the Centre and its work and will generate opportunities for our wider community and those attracted to learn and share our island's rich cultural and natural heritage. In addition, it will allow the Pier Arts Centre and Orkney's other cultural organisations to establish new networks between local practitioners and visiting artists and researchers.
Ness of Brodgar Development Project Phase 2	£58,869.00 (49.99%)	The project seeks to create two dedicated posts for the Ness: a Senior Project Manager who will manage all aspects of the development of the research project at the Ness of Brodgar; and, a Project Officer who will supervise finds processing and post excavation, and provide support to the Senior Project Manager. Together they will build on the success of the previous LEADER project. The remit of these roles will include the production of a full interim report to allow access to more of the discoveries to a wider audience; development of more links and sponsorship with business outwith the present sources; further develop marketing and promotional activities aimed at not only promoting the Ness but also Orkney as a whole, and to seek and manage funds from a diverse range of to develop the long term sustainability of the Ness both as a world-class research archaeology project and as a major tourist attraction. Future funding will also be sought to make these 2 posts sustainable and develop new posts.
St Magnus Way Phase 2	£8,473.05 (49.99%)	This application seeks to build on the successful launch of the pilgrimage route, the St Magnus Way, a new 55-mile pilgrimage route through the Mainland of Orkney inspired by the life of St Magnus. The St Magnus Way has received international interest and this project aims to build on this by installing interpretation boards and stone waymarkers at the start of each section of the route. It also aims to provide pilgrim passports, in response to requests from pilgrimage groups and to do this in a way that benefits local businesses.

<p>North Isles Landscape Partnership Scheme Staff Costs</p>	<p>£66,716.49 (36.00%)</p>	<p>The North Isles Landscape Partnership Scheme (NILPS) project will be a contribution to the staff costs of the North Isles Landscape Partnership scheme. The NILPs has an agreed vision that will guide the delivery of the programme: “Through providing a platform to coordinate resources towards assisting local communities to increase their skills, knowledge and offering of heritage, we will support the North Isles to become more resilient and sustainable. Through engagement and partnership working, we will help towards maintaining the identity of the North Isles and ensure others can experience the intimate landscapes and welcoming people that enliven them”.</p> <p>The NILPS programme has 4 main themes: celebrating island life and culture, conserving islander knowledge, exploring island landscapes and equipping island communities.</p>
<p>Between Islands Co-operation Project (with Shetland and Outer Hebrides LAGs)</p>	<p>Total project costs - £123,654.00. Orkney LAG contribution - £41,213.88 (33.33%)</p>	<p>The aims of this co-operation project are:</p> <ul style="list-style-type: none"> • To highlight the historical links between the Islands whilst exploring the modern-day similarities and differences through the creation of a programme of cultural events. • To create a physical body of work that can be shared though-out the island groups in the form of exhibitions and archive film materials. • To provide a supporting artistic, education and outreach programme. • To celebrate and enhance the distinctiveness of the Islands, highlighting history and heritage, whilst promoting the work of established and emerging creatives. • To establish and encourage collaborative working, and the sharing of skills and resources. • To raise the profile of the arts and heritage sector as a major asset to each region. • To support the economic development of the creative industries through the creation of work and opportunities. • To establish an online resource, which will collectively promote both the cultural heritage of the Islands and the bank of skilled arts practitioners who live and work there. <p>The Outer Hebrides LAG is the lead LAG for this project.</p>

Match Funding

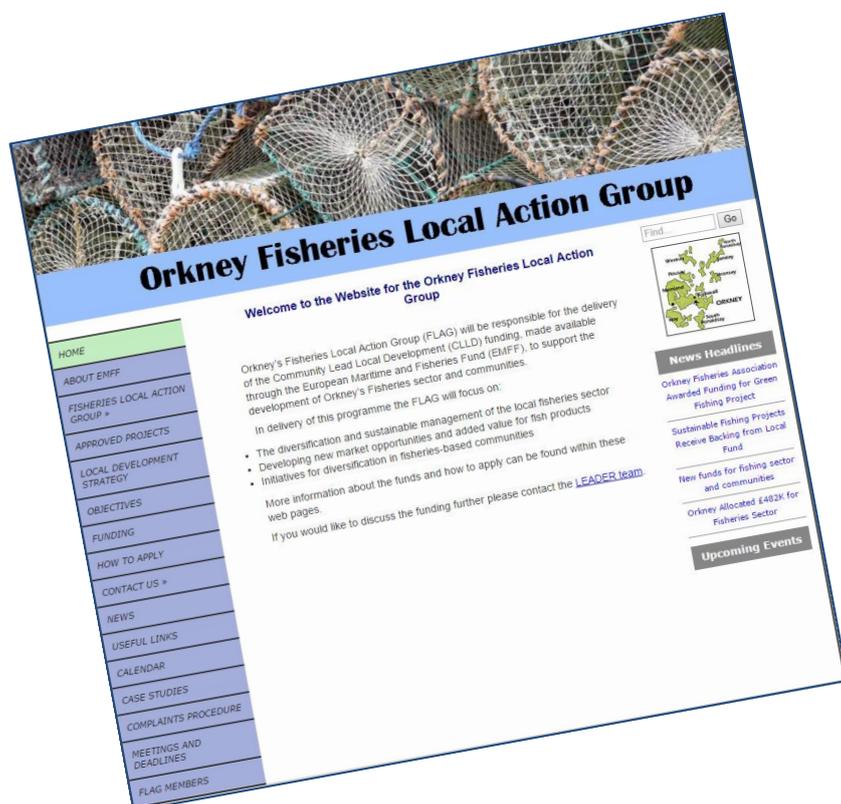
From the ten rounds held to date, £1,518,969 of LEADER funds have been committed towards projects with a value of over £3,583,000 meaning each £1 of LEADER funding approved has attracted a further £1.36 of match funding.

The match funding secured by LEADER projects has primarily been provided through Orkney Islands Council Grant funding, although the chart below shows the diverse range of funds which has been accessed by applicants. Although it is not a requirement that applicants contribute any of their own funds towards their projects, over 7% of match funding has come from applicants' own contributions which demonstrates a welcome commitment.



EMFF Enquiries and Applications

The FLAG has made 4 approvals to date, allocating 94% of the budget available. Enquiries and Expressions of Interest received have been fairly minimal however, with 19 enquiries leading to 9 Expressions of Interest, 4 of which became full applications.



Direct marketing of the fund has taken place, however, there has been limited interest in taking forward applications. Despite this it appears likely that the entire allocation available to Orkney will be utilised.

Of the 4 approved projects, 1 is successfully complete, the Orkney Shellfish Research Project, see details over leaf.

There are several potential projects being worked up with applicants, with expressions of interest received. It is likely that another FLAG round will be held in early 2019 to fully commit the remaining FLAG budget and ensure applicants have sufficient time to use the grant on delivering a project, as all fisheries projects must be completed by end of December 2020.

FLAG Projects Approved

Round 1		
Diversification and enhancement of Orkney small scale coastal fisheries	£69,299.62 (75%)	<p>This is a multi-faceted project looking to develop added-value products from the small-scale fisheries around Orkney, allowing diversification of fishing effort to other species, diversification of products through the local fishermen's co-operative processing factory, and enhancement of supply chain integration.</p> <p>By developing value added products from underutilised and less commercial species, and identifying markets for them, this would enable fishermen to have the confidence to invest in the gear needed to diversify their catch. This diversification would provide a safeguarding of jobs and potential additional income, directly benefiting the fishing industry and the communities it supports.</p>
Orkney Shellfish Research Project	£110,170.00 (100%)	<p>This 15-month project will involve the development of an inshore fisheries management framework for Orkney including harvest rules and harvest control strategy for brown crab and lobster, as well as ongoing shellfish stock assessments.</p> <p>Although Orkney has a highly developed inshore fisheries sector combining some one hundred locally owned and operated vessels and two co-operatively owned crab processing factories, to maintain this requires sustainable harvesting of stocks.</p> <p>The development of management and research frameworks for Orkney inshore fisheries will therefore help secure the jobs of more than 130 staff who are employed in the processing factories, and the livelihoods of the inshore fishermen, supporting both the sector and our communities.</p>
Round 2		
Orkney Green Fishery Development Strategist	£101,190.15 (100%)	<p>This project will see the creation of a 3 year post dedicated to collaborative working with fishermen, to evaluate current practise in the industry and develop consensual strategies to enable collective adaption to improved gear, practises and access to species, underpinned by sustainable objectives.</p> <p>The information gathered and production of an innovative piece of gear for the sector will help sustain the fisheries industry for the benefit of the community.</p>
Round 3		
Orkney Shellfish Data Collection and Management Development Project	£174,482 (70%)	<p>The project aims to: This project aims to extend the collection of local fishery data throughout the Orkney creel fleet and to build a management structure and system that sits within a Scottish Inshore Fisheries strategy at a national level, but that is responsive to real-time changes in the creel fishery at a local level. Doing so will empower local decision making while maximising economic benefits to the wider Orkney community and helping secure the future of the inshore fishery.</p>

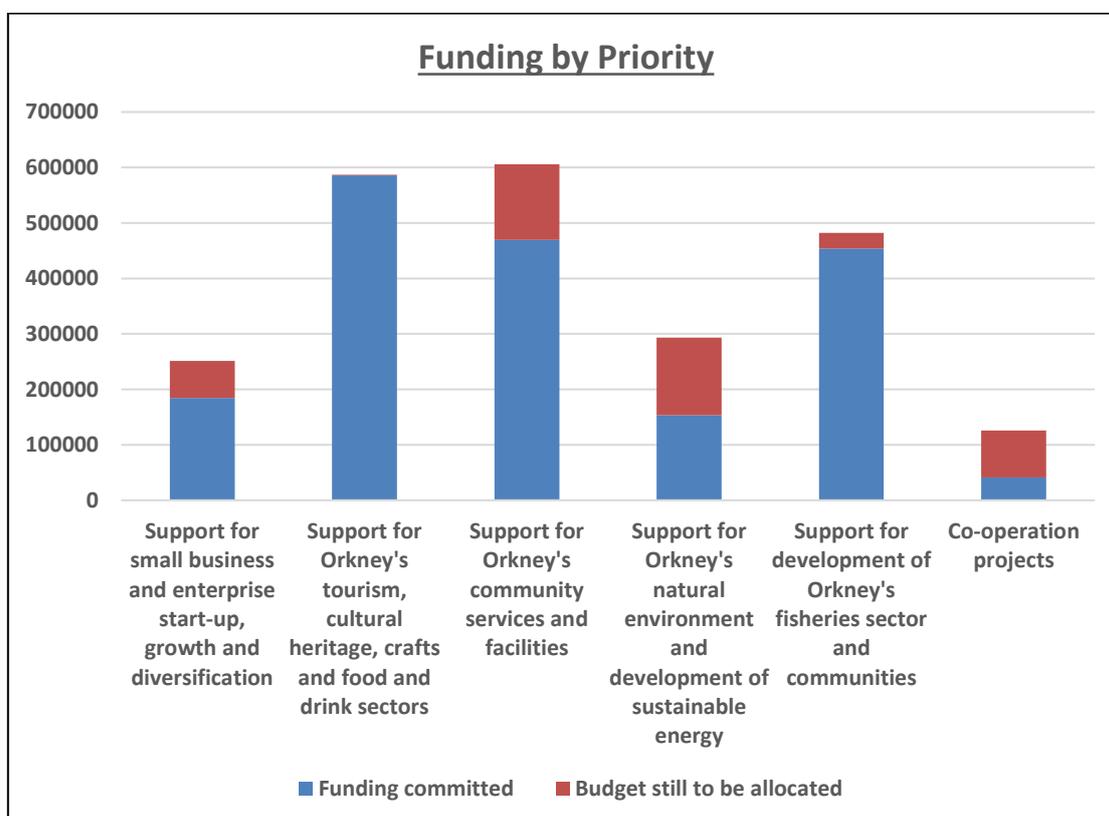
Programme budget

Of the funds currently available to the Local Action Group for LEADER projects, 77% has now been allocated. In comparison to the previous LEADER programme (2007-2013) progress up to and including Round 11, the LAG has awarded £17,700 less funding to 22 less projects. However, the average grant award in the previous programme at this stage was just over £31,500, with the current average at £52,000.

The highest grant awarded at this stage in the previous Programme was £227,393, with the lowest £1000. In comparison, in this Programme the highest award has been £174,000, with the lowest £4,100. This maybe partially due to the period of projects in the previous Programme being restricted to 2 years, with no such restriction in this Programme. However, from potential applicants' feedback, it has also been found that there is a belief that the workload associated with submitting and managing a LEADER project does not lend itself to small scale applications and therefore fewer such applications are coming forward.

Drawdown of the approved funds to December 2018 has been only 38% of allocated funding , however, this is to be expected as the bulk of expenditure will take place towards the end of the programme when many of the projects have their final delivery milestones.

Going forward, there is just over £500,000 still available to allocate to projects, with the most funds currently available to co-operation and farm diversification projects. However, we are aware from the pipeline of applications being worked up, that the theme which is least likely to be fully committed is Cooperation Projects. Unless budget can be moved between the themes, then some themes could have to be closed to applications imminently. Discussions regarding movement of budget to match demand from likely projects is ongoing with the Scottish Government.



Outputs

Although for budgetary purposes projects are allocated to one core theme, projects tend to contribute to the outputs of more than one of the themes. With only 5 projects complete, the total outputs actually achieved are minimal, however, the projects approved to date have provided target outputs and outcomes for their project, as outlined against the targets set in the Local Development Strategy (LDS) below.

From this data, it would appear the LAG will exceed its targets associated with Industry Sectors and Businesses supported. Events supported and community facilities benefiting are also on track to be exceeded. The targets associated with the core theme 'Orkney's natural environment and development of sustainable energy' require some attention, however, given that half of the budget remains to be committed this is not a concern at this stage.

	Target	Total from Applications received	
Support for small business and enterprise start-up, growth and diversification			
No. of businesses supported	40	1156	2890%
No. of industry sectors supported	6	10	167%
No of Farm Diversification projects supported	10	2	20%
Support for Orkney's tourism, cultural heritage, crafts and food and drink sectors			
No. of facilities developed	10	8	80%
No. of new technology and marketing developments	14	8	57%
No of cross-sectoral opportunities explored	15	15	100%
No of events supported	85	89	105%
Support for Orkney's community services and facilities			
No. of community events/activities	250	216	86%
No. of communities supported	30	21	70%
No. of community facilities benefitting	10	17	170%
No. of community initiatives supported	15	9	60%
Support for Orkney's natural environment and development of sustainable energy			
No. of natural heritage sites assisted	5	2	40%
Length of pathway or access areas developed (km)	10	84	840%
No of sectoral events/activities supported	20	4	20%
No of sustainable energy initiatives supported	6	2	33%
Development of Orkney's Fisheries Sector			
New market opportunities identified	8	1	13%
Fisheries communities enhanced	6	12	200%
Fisheries assets developed	6	8	133%
Diversification measures developed	6	3	50%

Indicators relating to all strategic priorities			
No. of ICT initiatives	15	3	20%
No. of bespoke training projects delivered	15	2	13%
No. of training days	50	20	40%
No. of promotional & marketing initiatives	150	6	4%
No. of market research initiatives	10	2	20%
No. of value-added initiatives	100	4	4%
No. of studies and trials	10	15	150%
No. of jobs created	40	19	47%
No. of jobs safeguarded	60	2	3%
No. of people participating in LEADER projects	2500	2839	113%

Operating Costs

The budget available to the LAG for administration and animation of the programme has, to date, been found to be more than sufficient for the programme's needs, with savings being identified where possible, and transferred to be allocated to LEADER projects. For the period from the signature of the SLA to the end of 2018, £231,298 had been allocated to operating costs, however, the actual spend incurred was just over £221,133.46; £10,164.42 or 4% less than anticipated.

The original budget allowed for 3 (2.6 FTE) members of staff, however, it was not felt necessary to appoint more than 2 FTE staff members up until July 2017 (at which stage applicants were starting to implement projects and make claims which required further support from the team). This produced a saving of just over £50,000 to date. The full staff team was in place in 2018 with many changes in the team to cover maternity leave and other members of staff departing.

Going forward however it is likely that 2.6FTE staff will need to be retained, at least in the medium term due to the requirement for separation of duties. With a small team in place the requirements for separation of duties has been difficult to meet, however this has been addressed with the involvement of other members of the Accountable Body providing time 'in kind' to the LEADER team to carry out specific functions.

Other areas of saving have included the use of the Orkney Communities platform to host the LEADER and EMFF website, rather than procuring an entirely new website for the Programmes. It had also originally been planned to carry out a Monitoring and Evaluation exercise to cover to the end of December 2017, however, given the late start of the programme and the number of projects complete this was removed from the Business Plan.

Going forward, the budget will continue to be closely monitored to ensure it is used in the most economical manner.

Looking ahead

The original deadline for allocation of all LEADER funds was December 2019, however, due to the timeframe for the exit of the UK from the EU, this deadline has been brought forward to end of March 2019 for co-operation projects and end of June 2019 for other Leader projects and end of September 2019 for FLAG projects. This means that there could only be up to 5 rounds of funding remaining before the Programme closes. Therefore, the priority in the coming year will be to encourage applicants to start planning applications well in advance of the final deadline for approvals.

The LDS themes and overall targets were set on the basis that all the funds available to Orkney would be utilised, however due to the limited interest in cooperation projects, part of this allocation could go unspent – jeopardising achievement of the LDS targets. A number of projects have been identified and followed up with applicants.

However, there are a number of potential projects under the other wide-ranging themes, with Expressions of Interests received under specific themes now considerably exceeding demand. Discussions are ongoing with the Scottish Government regarding re-allocation of funds to meet demand. If budget cannot be moved to meet demand, however, the Programme will have to close to new enquiries under some themes in the immediate future, presenting a missed opportunity to benefit the rural economy and its communities.

Looking ahead to the longer term, the LAG does have a concern that not enough emphasis is being given to the future of LEADER type funding for non-agricultural projects in the rural economy post Brexit. This has been highlighted by the group to the local MP and MSP, however, more work may need to be done going forward to ensure that post Brexit the rural economy and its communities are afforded opportunities to fund projects which they may otherwise find it difficult to identifying funding towards.