

EAST AYRSHIRE COUNCIL

CABINET: 24 FEBRUARY 2010

AYRSHIRE LEADER PROGRAMME 2007-2013

Report by Depute Chief Executive/Executive Director of Corporate Support

1. PURPOSE OF REPORT

1.1 The purposes of this report are to:

- (1) Update Cabinet on the establishment and operation of the Ayrshire LEADER 2007-2013 Programme, including Governance and Scrutiny arrangements;
- (2) Outline the activity undertaken to publicise the Programme;
- (3) Summarise the range of projects approved to date, in particular those from within East Ayrshire; and
- (4) Report some anticipated changes to the Programme.

2. BACKGROUND

2.1 LEADER (Liaisons Entre Actions de Développement L'Economie Rurale or Links Between Activities Developing the Rural Economy) is a European Union (EU) funding initiative. It is a mainstream part of the new Scottish Rural Development Programme (SRDP 2007-2013). Within rural areas LEADER aims to:-

- Promote economic and community development,
- Increase the capacity and sustainability of our rural communities and businesses, and
- Encourage integration, innovation and co-operation along with a wide community benefit

2.2 At its meeting on 17 September 2008, Cabinet considered a report that provided :

- details of the development and submission of the Ayrshire LEADER Bid to the Scottish Government which was prepared in accordance with the "Guidance for Submission of Funding Bids – LEADER 2007-13 Scottish Government - March 2008";
- the actions undertaken to secure East Ayrshire's inclusion in the Ayrshire LEADER Programme;
- the proposed delivery process and the proposals for match funding of the Programme and associated projects.

2.3 Cabinet agreed to:-

- i) Note the position regarding the Ayrshire LEADER Programme;
- (ii) Approve the actions undertaken to secure East Ayrshire's inclusion in the Ayrshire LEADER Programme; and
- (iii) Note the proposals for match funding of the Programme and associated projects; and
- (iv) remit the Head of Planning and Economic Development to report back to a future Cabinet meeting regarding operational Governance and Scrutiny arrangements.

3 UPDATE ON THE APPROVAL OF THE BID AND THE ADMINISTRATIVE ARRANGEMENTS FOR THE IMPLEMENTATION OF THE AYRSHIRE LEADER PROGRAMME INCLUDING GOVERNANCE AND SCRUTINY

- 3.1 **Approval of the Bid.** Approval of the Ayrshire LEADER Programme 2007-2013 was announced by Richard Lochhead MSP, then Minister for Rural Development, on 18 September 2008. The award is for a total of £3.38M.
- 3.2 The Ayrshire LEADER programme covers the whole of rural mainland Ayrshire excluding the main urban areas. Towns with a population exceeding 10,000 are not eligible. The whole of East Ayrshire, excluding Kilmarnock, is eligible.
- 3.3 The main aims of the Ayrshire programme are to support community based projects that will assist in "Revitalising Rural Communities" and "Building Rural Community Capacity" which will include the principles of LEADER, including local involvement, wide community benefit, equal opportunities for all, innovation and new ideas, sustainable development and growth and sharing lessons with communities in Scotland and beyond.
- 3.4 **Appointment of staff** In accordance with the Business Plan, which was part of the Bid to the Scottish Government, South Ayrshire Council supported the recruitment and employment of associated staff. This process was reported to Cabinet on 17 September 2008. The Programme Co-ordinator and Programme Officer were recruited shortly after the bid for funding was approved and these officers are located at the offices of the Ayrshire Joint Planning Unit at 15 Links Road, Prestwick. These posts are to December 2013 and are funded from the Ayrshire LEADER award.

- 3.5 **Administrative Arrangements - Governance.** In accordance with the Business Plan, South Ayrshire Council has taken lead responsibility for the overall administration and financial operation of the Local Action Group (LAG), meeting the requirements of the European Union and Scottish Government.
- 3.6 The LAG has been established as the parent body of the Ayrshire LEADER Programme, along with a Decision Making Body (DMB) (a sub-group of the LAG) which is responsible for the day-to-day delivery of the Programme.
- 3.7 Details of the current membership of the LAG are given in Appendix 1. East Ayrshire Council has officer representation on both the LAG and the DMB bodies. In addition a number of projects based within East Ayrshire are represented on both bodies. All representatives of local authorities and of Agencies are at officer level. This is in line with the spirit of LEADER and was indicated in the report to Cabinet on 17 September 2008. However it is up to each organisation to decide their representative and the representative can be changed at any time.
- 3.8 Officers of North Ayrshire Council and East Ayrshire Council proposed amendments to the initial draft of the Constitution. A revised constitution was prepared and was formally adopted at the LAG meeting on 23 November 2009. It is currently in the process of being signed by all members of the LAG. The Council's Legal Procurement and Regulatory Services Manager, has signed the constitution on behalf of East Ayrshire Council.
- 3.9 **Administrative Arrangements - Scrutiny.** Procedures have been put in place whereby the following reports are presented to the LAG at their meetings:-
- (1) An Officer Report including updates on project development, meetings attended, key tasks and key actions planned. Key tasks include:-
 - Providing support and guidance on claims procedure through "Managing your Grant" workshops;
 - Checking and processing project claims;
 - Project monitoring;
 - Submission of quarterly claims to Scottish Government;
 - Maintenance of computerised financial expenditure records;
 - Monitoring and reconciliation of budgets with SAC's Financial Department;
 - Production of budgetary control reports;
 - (2) A Financial Update including:-
 - Information on the funding package for each approved project
 - Information on total project costs, the amount of LEADER funding, intervention rates and levels of public and private match funding

- Levels of claims made for each project and the balance of commitment
 - Total Project cost against projections in the Business Plan
 - Programme Progress against the Business Plan
- (3) A summary of progress in the implementation of individual projects including claims made, outputs achieved and an early warning system highlighting situations where projects are not conforming to original expectations or implementation timetables.
- 3.10 **Application Process** A two tier funding application system is in operation. This comprises a Stage 1 Initial Enquiry Form to help establish eligibility of any proposed project followed by a detailed Stage 2 Application Form.
- 3.11 Until December, 2009 individual project applications were appraised and considered in accordance with the process set out in the approved Business Plan. The DMB determined grant awards up to a threshold of £20,000 through delegated authority from the LAG and the full LAG considered awards above this level.
- 3.12 In accordance with the “ Guidance for Local Action Group Coordinators and Administration Staff – LEADER 2007-2013” a Business Plan Review was initiated in December, 2009 at which the LAG discussed amendments to the application process. The Ayrshire LEADER Secretariat has now issued information on a revised process. This revised process is within the authority of the LAG. It has been agreed that grant requests for less than £5,000 will be technically assessed by the Ayrshire LEADER Co-ordinator then submitted to two LAG members for consideration. There will be no closing dates for these levels of requests and the programme will accept applications on an ongoing basis. It has further been agreed that all grant applications for more than £5,001 will be considered by the full LAG. It has additionally been agreed that score sheets will now be in a form where members can note their comments on applications during assessment. The sheets will be retained by the LEADER Secretariat at the conclusion of meetings in order that they may be made available to the Auditors as evidence of the LAG’s application appraisal criteria and process as part of the Service Level Agreement.
- 3.13 A Declaration of Interest is made in circumstances such as when the member’s organisation is the project sponsor, when their organisation is the main beneficiary of the project’s activities, when their organisation is the sole match funder and when the LAG member has a significant role in the applicant organisation (e.g. an office bearer in the organisation). DMB and LAG members must declare any interest in any project and must leave the meeting room whilst the application is being considered. Decisions are relayed to applicants only by the LEADER secretariat.

4 LAUNCH AND PUBLICITY OF THE AYRSHERE LEADER PROGRAMME

- 4.1 **Launch** The Ayrshire LEADER Programme was launched during November and December, 2008 through a series of public meetings, one in each of the Council areas. The arrangements were made in consultation with officers within the respective Authorities and were approved by the LAG.
- 4.2 The launch in East Ayrshire was held on 9th December, 2008 in Cumnock Town Hall. The event was publicised in the local press and through posters displayed in all local offices and libraries. Invitations were sent to eleven Elected Members in East Ayrshire including Spokespersons for Environment and Regeneration, Lifelong Learning, Community Well-being and Community Planning and Equality. Councillor Jim Buchanan made the opening remarks. In addition over 160 representatives of agencies and individuals were invited to the launch. These included representatives from the Coalfield Communities Federation, the East Ayrshire Northern Communities Federation and representatives from a wide range of community led organisations. 66 persons attended the launch.
- 4.3 **Publicity** Since the launch, the Ayrshire LEADER Programme 2007-2013 has been widely publicised in order to encourage the submission of applications for funding. Publicity measures, at a range of levels, include:-
- The Ayrshire LEADER website:- www.ayrshire-leader.com
 - Publication and distribution of information packs and leaflets including Grant application forms and guidance notes;
 - Grant Funding Workshops such as that held in the offices of the Coalfields Community Transport project in Cumnock on 16 September 2009. In conjunction with the co-ordinator of the LEADER programme, opportunities for further future similar promotional events in local areas may be developed;
 - Meetings between the Programme Co-ordinator and representatives of individual projects. The Programme Co-ordinator will visit projects and provide application guidance and advice regarding potential opportunities for LEADER to support the development of the projects;
 - Within East Ayrshire, the External Funding Officer and representatives of the External Funding Network take the opportunity to inform project representatives of the opportunities provided through LEADER;
 - The East Ayrshire 4 Funding website allows local groups to perform a comprehensive search for funding sources and if applicable to a particular project, Ayrshire LEADER will appear as one of the potential sources of funding. There is a hyper-link to the Ayrshire LEADER website;

- The East Ayrshire North Communities Federation and the Coalfield Communities Federation are both represented on the LAG. Membership of the LAG affords these representatives opportunity to cascade information on LEADER to Community Councils and other local organisations and to encourage the development and submission of funding applications; and
- At its meeting on 27 January 2009, the East Ayrshire Community Planning Joint Officer's Group considered a report containing a detailed update.

4.4 The programme of meetings for the LAG and DMB has also been publicised to inform potential applicants and assist with the development and submission of applications.

Future dates for meetings of the LAG are:-

Closing Date for Applications	Date of LAG Meeting
21st January, 2010	25th February 2010
22nd April, 2010	31 st May 2010
22nd July, 2010	30 th August 2010
21st October, 2010	29 th November 2010

5 APPLICATIONS APPROVED TO DATE

5.1 The LAG and the DMB have each met on four occasions during 2009. £612,212 of LEADER grant support has been committed and accepted by 31 wide ranging projects. (Two further applications were approved and were subsequently withdrawn. These two applications, Ballochbroe Stables (South Ayrshire) and Barony A-Fame Trust (East Ayrshire) are not included in the above total.)

5.2 Projects based in East Ayrshire that have been offered LEADER awards to date are:-

<u>Applicant</u>	<u>Name of Project</u>	<u>LEADER Award Offered</u>
Barony "A" Frame Trust	Volunteer Project	£43,400.00 – withdrawn December, 2009
Bellsbank Adventure Playground Ltd	Youth on the Move	£51,615.00
Bellsbank Adventure Playground Ltd / The Zone	Training the Community	£16,840.32

Training Company		
Bellsbank Project	Doon United	£22,012.20
Dunlop and District Community Association	Dunlop Village Hall Extension	£20,000.00
East Ayrshire Coalfield Environment Initiative	Captured Through Time: New Cumnock's Changing Environment	£3,000.00
East Ayrshire Council	Auchinleck Estate Management & Sustainable Development Plan	£11,000.00
Prince's Foundation for the Built Environment	Four Towns Enquiry by Design	£30,000.00
Springboard Scotland	Into Work in Scottish Hospitality (Iwish)	£13,116.00
The Lighthouse Foundation	Volunteering Project	£12,082.00
Woodroad Regeneration Forum	Project Worker	£10,000.00
Woodroad Regeneration Forum	Business Plan	£3,500.00

5.3 The current position regards projects approved in the Ayrshire Local Authority areas (exclusive of the 2 withdrawn projects) is as follows:-

Local Authority	No. of Projects Approved to date	Total LEADER Grant Support
East Ayrshire Council	11 (35%)	£193,165 (32%)
North Ayrshire Council	7 (23%)	£224,986 (37%)
South Ayrshire Council	13 (42%)	£194,061 (31%)
Total	31 (100%)	£612,212 (100%)

Further details of the projects approved to date are indicated within the website: - www.ayrshire-leader.com

5.4 The position regarding projects in East Ayrshire that have been refused is indicated below. There is no right of appeal at application stage and where applications have been refused the applicant is encouraged to rewrite applications based on the feedback given to them for the reasons for refusal. It should be noted therefore that in some instances new applications have been submitted.

Project Name	Project Title	Comment
The Dalmellington Partnership	Loch Doon Regeneration Project Officer	Initial application refused as members of the LAG felt that there was a lack of community benefit and the project did not represent value for money. Revised application submitted and currently deferred for a clearly defined list of the specific project aims and activities of the post holder and confirmation of the post holder's work patterns
Bellsbank Adventure Playground Ltd/The Zone Training Company	Training the Community	Application refused as ineligible as funding cannot be used to fund training that is a legal requirement of an employer. New application encouraged focussing on training linked to employment opportunities for unemployed members of the community. New application now approved (see table at

		5.2)
Newmilns Snow and Sports Complex Ltd	Development of Newmilns Snow and Sports Complex	Due to the total value of the project, the applicant was advised to apply directly to the overarching body, the Scottish Rural Development Fund
Impact Arts (Projects) Ltd	Gallery 37, Cumnock	Project did not meet with the Ayrshire LEADER criteria of being “bottom-up” and community driven and that the project lacked in evidence of local consultation or partnership working
Catrine Community Trust	Catrine Memories	Members had concerns with the associated costs of the project and that there was not sufficient evidence of community need or demand for the project. The members liked the principles of the project and would welcome the applicant to come forward with a new scaled-down application.

6 ANTICIPATED FUTURE CHANGES

- 6.1 Cabinet Secretary for Rural Affairs and Environment, Richard Lochhead, has recently announced the intention to increase the maximum possible intervention rate to 90% for LEADER projects and to transfer Rural Priorities Measure 321 (*Provision of Leisure, Recreation, Sporting, Catering and other Rural Community Services and Facilities*) and Measure 341 (*Production of Collaborative Local Development Strategies*) to LEADER LAGs to administer.
- 6.2 Initial discussions had suggested that these changes may come into place from 1st January 2010. However, detailed arrangements for the transfer have yet to be finalised by Scottish Government and at this point in time LAGs are not in a position to accept applications for these new Measures. Whilst the ability to apply an increased grant rate of up to 90% becomes available from 1st January, 2010, at the LAGs discretion, the LAGs have confirmed that they do not intend to introduce such an increase given its impact on the ability to achieve original outcome and output targets without further funding being made available from Scottish Government. The Ayrshire LAG, which has the authority to make this decision, has agreed this approach and confirmed no changes will be made prior to full written clarification of the Scottish Government's final position on these two issues.

7. FINANCIAL IMPLICATIONS

- 7.1 The LEADER Programme requires match funding from public, private and community resources. The Business Plan anticipates that the contribution from East Ayrshire Council to the Programme is likely to be in the order of £30,000 per annum. This would be in the form of match funding to support individual local projects seeking support through the LEADER Programme and could be from a number of appropriate funding streams. This was reported to Cabinet on 17th September, 2008 and was approved.

8. LEGAL IMPLICATIONS

- 8.1 There are no Legal implications arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 There are no risk management implications arising from this report.

10. COMMUNITY PLANNING AND POLICY IMPLICATIONS

- 10.1 The LEADER Programme will contribute to the achievement of a number of the Aims of the Delivering Community Regeneration 2009-2011 Action Plan.

11. RECOMMENDATIONS

- 11.1 Cabinet is asked to note the actions taken regarding the implementation of the Ayrshire LEADER Programme 2007-2013.

ELIZABETH MORTON

Depute Chief Executive/Executive Director of Corporate Support

17 February 2010

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LIST OF BACKGROUND PAPERS

Ayrshire LEADER Local Action Group - Local Development Strategy and Business Plan – May 2008

LEADER Programme – Cabinet Report 17 September 2008

Members wishing further information should contact David Hewet, Senior Policy Adviser (01563 503234)

Implementation Officer – John Spooner, Business Development and Tourism Manager (01563 503239)

APPENDIX 1

**AYRSHIRE LEADER PROGRAMME 2007 – 2013
LOCAL ACTION GROUP – MEMBERSHIP**

Organisation	Representative	Comment
Scottish Rural Property and Business Association (SRPBA)	Chris Savage	CHAIR of LAG
South Ayrshire Council	Alison Blair	Officer
Ayrshire Joint Planning Unit	Nigel Wallace	Officer
Forestry Commission Scotland	John Dougan	Officer
Scottish National Heritage (SNH)	Geoff Atkins	Officer
Visit Scotland	Sandi Hellowell	Officer
North Ayrshire Council for Voluntary Services	Craig Crothswaite	Officer
South Ayrshire Association of Community Councils	Peter Mason	Representative
Council for Voluntary Organisations (South Ayrshire)	Jess Dunabie	Representative
Ayrshire Chamber of Commerce and Industry	Martin Cheyne	Representative
Coalfield Communities Federation	Jason Lawrie	Representative
National Farmers Union (Scotland)	Jimmy Young	Representative

Organisation	Representative	Comment
Royal Society for the Protection of Birds (RSPB)	Zoe Clelland	Representative
Dalmellington Partnership	Mark Gibson	Representative
West Kilbride Community Initiative	Maggie Broadley	Representative
Scottish Power Renewables	Martin Mathers	Representative
East Ayrshire Woodlands	Bruce Davidson	Officer
East Ayrshire North Communities Federation	Tom Raffel	Representative
North Ayrshire Council	Dianna Whyte	Officer
East Ayrshire Council	David Hewet	Officer

Note 1: Lesley Cannon, Enterprise Manager at South Ayrshire Council (acting as Lead Officer on behalf of the Lead Body (South Ayrshire Council) provides advice and support to the LAG on audit and compliance procedures for the Programme

Note 2: Each organisation has one voting member.