

**MINUTE OF MEETING OF
RURAL ABERDEENSHIRE LEADER
LOCAL ACTION GROUP**

**THURSDAY, 5 JUNE 2014 AT 1.30 PM
COMMITTEE ROOM 3, WOODHILL HOUSE**

Present

Belinda Miller	LAG Chairperson
Keith Bennett	Mid Deeside Community Council
Moira Beverley	Aberdeenshire Council – Finance
Gavin Clark	Scottish Natural Heritage
Philip Smith	Visit Scotland
Dawn Tuckwood	NHS Grampian
Chris White	Aberdeenshire Council – Area Manager
Andy Willox	Federation of Small Businesses

Officers in Attendance

Martin Brebner	Team Manager European Policies and Programmes
Alasdair Cunningham	European Programmes Co-ordinator
Anne MacLennan	European Programmes Claims Officer

Apologies

Ian Cowe	Forestry Commission Scotland
Gina Ford	Scottish Enterprise
David Hekelaar	Tarves Community Council
Jean Henretty	Aberdeenshire Rural Partnership Federation
Reid Hutchison	Aberdeenshire Council – Community Economic Development
Lorna Paterson	National Farmers' Union Scotland
Douglas Petrie	Scottish Government Rural Payments Inspection Division
Scott Petrie	Scottish Land & Estates
Maureen Stephen	Aberdeenshire Councils for Voluntary Services
Ian Wallace	Aberdeenshire Council – Community Planning

1. WELCOME & APOLOGIES

- 1.1 Belinda welcomed those present and, for the benefit of Chris White, introductions were made round the table.
- 1.2 Apologies were noted as above.

2. MINUTES OF LAST MEETING

- 2.1 The draft minute of the LAG meeting held on 31 March 2014 was approved and will be uploaded on the LEADER website.

3. CO-ORDINATOR UPDATE

- 3.1 As of 29 May 2014, 531 project claims have been processed with a total grant value of £4.17million being disbursed to projects.

- 3.2 Aberdeenshire LEADER received a green rating following the recent Scottish Government monitor visit. Alistair Henry and Larry Rosie checked a sample of six projects over the two day visit.

The project files were complimented as being well laid out and easy to follow.

The main issues highlighted were:

- Advice relating to projects adhering to procurement requirements has not been included in the approval document.
- Evidence of match funding being ring-fenced to projects is not clear. Issues where changes in match funding have taken place were highlighted.
- Project underspends should be reflected in the amount of LEADER funding being reduced.

- 3.3 Scottish Government has requested submission of monthly forecasting figures.

This forecast will detail when projects are going to claim grant and when the LAG is going to draw down funds from Scottish Government.

All funding must be claimed from Scottish Government by December 2014.

4. CURRENT PROJECTS AND PROGRAMME CLOSURE

4.1 094 - North of Scotland Rural Touring Fund

This is a co-operation project with other LAGs. There are several issues relating to eligibility of items being claimed and match funding.

Around £4k of grant is still to be drawn down.

Cairngorms LAG is leading on addressing the issues with this project and Aberdeenshire will pay as soon as Cairngorms give the green light.

This project is funded from Scottish Government domestic funds.

4.2 119 – Newmachar Community Centre Project

The physical build stage of this project is complete and the completion certificate has been obtained. The build cost has overspent by approximately £45k resulting in a funding gap. Additional funding is being sought and, once this is approved, the funding package will be re-profiled.

Aberdeenshire Council is funding retention fees so it is anticipated that one more financial claim will be made.

4.3 126 - Fairweather Community Leisure Centre

Following discussion with Scottish Government, approval has been granted to instigate a succession procedure to allow Aberdeenshire Council to be formally noted as a partner in the project. This process will

validate the expenditure which has been incurred.

The succession request will be forwarded to the LAG for approval by e-mail.

LAG will be asked to vote on:

- Whether to accept the project succession request to include Aberdeenshire Council as a partner in the project (therefore validating the project expenditure).
- Whether to accept the request to extend the project timeline to enable the financial claim to be made.

It is important to note that the project was physically delivered within the timescale, it is just the administration of the claim which requires the project extension.

4.4 **133 – Haddo Country Park Regeneration Project**

Work has been completed on this multi-million pound regeneration project. LEADER has been involved in only a small element of the overall project.

There have been difficulties with splitting the costs for the LEADER element and the applicant is finalising the figures with QS prior to submitting the final claim.

It is hoped to pay the final claim by end June 2014.

4.5 **138 – Gallows Hill**

The physical build of the changing rooms is nearing completion.

The major issues with the lease have been resolved. The applicant group is now the new holder of the site.

The group is experiencing cash flow issues. As LEADER pays grant on defrayment of funds, no further grant payments can be processed until the group pays the outstanding invoices.

Additional funding to ease the cash flow situation will hopefully be confirmed shortly.

Alasdair Cunningham will meet with the group on 12 June and a report will be circulated to the LAG by e-mail following this meeting.

4.6 **139 – New Daviot Hall**

The build project is finished and the group is awaiting the completion certificate. Final grant will be disbursed on receipt of the completion certificate.

4.7 **142 – Sandhaven and Pitullie Community Hall Development Phase**
Philip Smith, Visit Scotland, declared an interest in this project.

The consultant is on track to finish the study within the next couple of weeks.

The applicant, North East Scotland Preservation Trust (NESPT), is to request a project extension until the end of June.

4.8 **150 – Children’s Community Voice**

The applicant has requested an extension to the project timeline to cover the production of an educational DVD which is yet to be completed.

Estimated completion and submission of final grant claim by end July.

4.9 **152 - Aberdeen Angus 2012 Ruby Anniversary Tour**

Alasdair has requested guidance from Scottish Government regarding the project de-commitment.

The applicant will have the opportunity to appeal the LAG decision to de-commit the project so it is important for the letter to be accurate as per Scottish Government guidance.

4.10 **155 – Ritchie Hall 2013**

The applicant is experiencing cash-flow issues due to a funding shortfall. A bank loan was secured but the applicant has been personally funding the project without drawing on the bank loan.

Scottish Government will be involved in carrying out a project inspection.

The physical build stage is complete but the LAG has concerns about the broader issue of cash-flow problems.

Chris White, Area Manager, and Alasdair will meet with the applicant as a matter of urgency. Alasdair will report back to the LAG following the meeting.

LAG agreed that the project may present issues for Audit Scotland.

4.11 **156 – Ardallie Community Pavilion**

The project is complete and the final claim has been received. Awaiting the bank statement to evidence payment of the final invoice before the final claim can be processed.

4.12 **162 – Walks of Life**

Final project claim has been submitted.

This project relates to artist activity and is therefore split between eligible and non-eligible elements.

High quality publications have been produced but the website is

incomplete due to the interactive mapping facility being unfinished.

Final 10% balance will be released on evidence of the website going live.

4.13 163 – Lonmay Hall

The project is complete and the final claim has been submitted. There is a project underspend and some issues have been identified relating to an increased in-kind contribution which was necessary to deliver the same outcomes as per the application.

If project costs reduce then LEADER grant must reduce, taking match funding variables into account. This GAP funding principle will be applied to reduce the amount of grant paid. The applicant has been made aware of this.

4.14 165 – Baden Powell Centre

The large in-kind element of this project is nearly complete. The construction company is now on site and, although there has been some slippage due to a delay with the steel work, the applicant group is on track to meet the September deadline.

Final grant must be paid by end October.

Alasdair will maintain regular contact with the applicant and will keep the LAG informed of progress.

4.15 166 – Balmedie Leisure Centre Café & Provision of New Entrance

The project is now complete and final grant claim will be submitted shortly.

4.16 170 – Imbewu Scotland

There have been problems in getting the project up and running. No events have been held as yet. The applicant has not yet been able to deliver what was detailed in the application.

Half the expenditure in the claim is in-eligible. The majority of staff costs claimed so far are for existing staff members and as such are considered to be in-eligible sunken costs. Core costs such as premises and accountant/clerical time can be used as match funding but cannot be claimed.

Alasdair will go through the claim form in detail and decide what is eligible. The claim and the approved application will be circulated to the LAG. If it is deemed that the claim reflects what the LAG approved then it must be paid. Costs will be reclaimed from Scottish Government domestic funds.

Alasdair will contact the applicant to make them aware of the issues.

SNH is also a match funder for this project and Gavin Clark will investigate whether SNH has paid out any grant so far.

4.17 172 – St Combs Hall

Grant was capped at 90% in the last claim. Final 10% will be released

once the completion certificate is issued.

4.18 178 - Fit For All (Phase 2)

Aberdeenshire Council has guaranteed the match funding gap for this project.

Site works are due to commence week beginning 21 July. Construction is estimated at nine weeks.

4.19 183 – The Cutty Park

The play park equipment has been ordered and installation will commence shortly.

The applicant may face cash flow issues with LEADER grant being paid in arrears. It may be possible to factor in a stage payment.

4.20 187 – Fettercairn Community Allotment

Project progressing well. Should be on track to complete by the end of August.

4.21 188 – Logie Coldstone ‘A Stage for the Future’

Project complete. Final 10% to be disbursed on evidence of payment for the stage being cleared through bank account.

4.22 Alasdair will keep the LAG up-to-date with progress on all above projects. It was agreed that, due to there being no further meetings within the timescale, any decisions required on projects will be e-mailed to LAG members accompanied by a recommendation from the LAG Chair.

4.22 LAG agreed that an important lesson learned for the future is not to approve funding so late on in the programme period.

4.23 Issues encountered with in-kind were discussed and Alasdair clarified the rules regarding ‘in-kind’ to LAG members.

4.24 Scottish Government is working on a new IT database to be used by all LAGs for the next funding programme. LAG welcomed this as it will standardise procedures across all LAGs. Applicants will require training/help with completing application forms and claims on the database but the programme will eliminate errors and omissions. Key milestones will be central to submitting grant claims. Grant will be paid on receipt of evidence that milestones identified at project application stage have been achieved.

5. CHAIRPERSON’S UPDATE

5.1 Belinda Miller and Scott Petrie attended the LEADER Strategic Board meeting in Edinburgh on 21 May 2014.

5.2 LEADER funding is fully committed but, due to the style of projects coming forward to LEADER, the programme has been late in drawing down funding from Scottish Government.

All other rural funds have finished and have fully claimed leaving an £8 million shortfall.

The following three options have been proposed by Scottish Government:

1. Find savings somehow.
2. Find some savings with the balance coming from the next programme.
3. £8 million to come from the next programme.

It is anticipated that project de-commitments and likely project underspends will reduce this overall figure.

Each LAG has been asked to accurately predict the amount still to be drawn down in a monthly spend forecast report. This report will include an update on potential project de-commitments and will highlight those projects deemed to be potentially irregular in the eyes of EU audit. Any 'irregular' projects identified will be paid from Scottish Government domestic funds.

LAG is not prepared to withdraw funding from committed projects. It was, however, confirmed by Scottish Government that all LAG commitments will be honoured.

- 5.3 With regard to the future programme, four work streams have been set up between Scottish Government and LAG staff. These are:
1. Finance
 2. IT
 3. Guidance to LAGs
 4. Co-operation
- 5.4 Deadlines for the new programme period have been set. Projects must be fully committed by 2019 and spent by 2020.
- 5.5 In addition to the two strategy documents, two business plans will also have to be prepared. The deadline for submission of business plans is mid-August. Scottish Government is to issue guidance and a template for the business plan but this has not been provided as yet.

Scottish Government is also to provide a monitoring and evaluation framework and a framework for State Aid.

The Local Development Strategy must clearly state what can and cannot be funded. Scottish Government will provide guidance on what can be funded under skills as opposed to what is considered to be statutory provision.

LAG agreed that clear guidance will be essential for the preparation of the business plans.

- 5.6 At a recent Marine Scotland meeting, it was made clear that MS want a more fisheries focused programme. The paying agency for LEADER is

Scottish Government and the paying agency for Marine Scotland is Westminster, resulting in the two programmes being in-compatible.

- 5.7 A Governance Workshop will be held in July for NALAG and SALAG members. Scottish Government will be the managing agent and the paying authority. Aberdeenshire Council, as lead partner, will have an agreement with SG. The LAGs will have an agreement with SG and with Aberdeenshire Council.

There is no standard operational model. It is important to make this work within SG rules. LAG questioned the benefits of being a constituted group. Individual LAG members cannot be held liable. Aberdeenshire Council, as the lead partner will carry any risk.

- 5.8 Farm diversification and the small business grant scheme are to be transferred to LAGs for the next programme. There will be implications about how these additional funds will be operated.

LAGs will have the option to manage these additional funds or it may be possible to devolve these funds to Business Gateway. Scottish Government will set up a workshop on these additional schemes.

LAG agreed that the consultants will be asked to include farm diversification and small business grants in both Local Development Strategy documents.

6. AOCB

- 6.1 The date of the next LAG meeting is the day of the Referendum. It was agreed that, following discussion with the FLAG, this date may be subject to change.

7. DATE OF NEXT MEETING

- 7.1 No PAC meeting as there are no new projects for consideration.
- 7.2 LAG meeting: Thursday, 18 September 2014.
This is the date of the Referendum and may be subject to change.