

**MINUTE OF MEETING OF
RURAL ABERDEENSHIRE LEADER
PROJECT ASSESSMENT COMMITTEE / LOCAL ACTION GROUP**

**TUESDAY, 5 MARCH 2013 AT 11.00 AM
CONFRENCER ROOM C, WOODHILL HOUSE**

Present

Belinda Miller	LAG Chairperson
Alistair Prior	Rural Priorities Team, Scottish Government
Martin Brebner	Aberdeenshire Council – European Services Executive
Shona Anderson	Visit Scotland
Jamie Bell	Scottish Enterprise
Gavin Clark	Scottish Natural Heritage
Brian Martin	Aberdeenshire Rural Partnership Federation
Scott Petrie	Scottish Land & Estates
Brian Stuart-Coxon	Federation of Small Businesses

Officers in Attendance

Vicky Thomson	Aberdeenshire Council
Alasdair Cunningham	Aberdeenshire Council
Anne MacLennan	Aberdeenshire Council

Apologies

Charlie Adam	National Farmers' Union Scotland
Moira Beverley	Aberdeenshire Council – Finance
Ian Cowe	Forestry Commission Scotland
Moira Gordon	SWRI
Reid Hutchison	Aberdeenshire Council – Community Economic Development
Jennifer Kinnaird	Scottish Government Rural Payments Inspection Directorate
Bob Leonard	Aberdeenshire Council – Community Learning & Development
Alexander Macleod	Aberdeenshire Council – Community Planning
Keith Newton	Aberdeenshire Council - Community Planning
Lorna Paterson	National Farmers' Union Scotland
Ruth Sim	Aberdeenshire Community Councils
Maureen Stephen	Aberdeenshire Councils for Voluntary Services
Dawn Tuckwood	NHS

1. WELCOME & APOLOGIES

1.1 As the LEADER project budget is currently fully committed, there are no applications for consideration by the PAC. The PAC meeting was extended to the wider LAG and Alistair Prior from Scottish Government was invited to give an update on the future of LEADER and Audit Scotland issues. Alistair was welcomed to the meeting and introductions were made round the table.

2. AUDIT SCOTLAND UPDATE

- Audit Scotland has just completed a substantive test of around 60 LEADER project files selected from the 20 LAGs across Scotland.

- The audit relates to the year 2011/12.
- Audit Scotland has found systemic weaknesses across the 20 LAGs.
- Out of 60 files checked, 40 were found to have compliance issues and 20 were found to have financial errors.
- After several meetings between Audit Scotland and Alistair Prior, it has been possible to significantly reduce the error level.
- Queries which have been addressed will set the precedent for the next LEADER programme.
- Alistair Prior's letter outlines Audit Scotland findings.
- As Audit Scotland has not yet looked at this year's accounts, LAGs must be aware about the issues raised in the letter.
- Scottish Government has decided to withhold payment of Quarter 3 claims which were submitted in January 2013 until outstanding issues are addressed.
- Strong remedial action is required and LAGs are invited to re-check, review and adjust claims submitted in Quarter 3 2012/13.
- Any projects which could be considered doubtful in relation to Audit Scotland opinion on compliance can be paid through Scottish Government domestic funds.
- The aim is to reduce the risk of disallowance – not to penalise applicants or individual LAGs.
- Part of the problem is due to Audit Scotland's interpretation of how LEADER differs from Rural Priorities.
- The majority of audit issues are down to a lack of clarity and understanding from RDP level down.
- Interpretation of programme guidelines has been an issue as has the different ways in which each LAG has implemented the programme.
- Guidance and regulations are ambiguous and have significant weaknesses.
- Aberdeenshire LAG has been very positive about how the LEADER approach has worked.
- LEADER in Aberdeenshire has delivered a wide range of benefits.
- The programme must be enabling rather than being too prescriptive.
- Rural Priorities approach is different to LEADER.
- However LEADER has accounted for 95% of the errors in the Rural Priorities Programme in the current audit by Audit Scotland.
- At this stage it is about taking remedial action rather than changing systems.
- Appraisal processes were identified as a common issue.
- LAG procedures for checking project eligibility was questioned in relation to ensuring projects are viable.
- Business plans, marketing plans and exit strategies are essential and Alasdair Cunningham, Project Officer, will be working closely with applicants to ensure that these documents are available.
- If a project fails due to external factors, this will not be considered a problem as long as the applicant produced a robust business case in the initial stages of application.
- Some of the main areas of concern include:
 - Payment of artist fees is considered to be ineligible as referred to in the LEADER SSI.

- Provision of vocational training or training specifically run by Colleges is not considered eligible by Audit Scotland.
- Payment of in-kind costs where there is no evidence of disbursement by the project, ie: submission of timesheets for work undertaken.
- There will be considerable additional workload involved in checking through current projects to identify any of the above issues.
- It was agreed that Alistair Prior's letter should be circulated to the LAG.
- On a positive note, Scottish Government is not minded to withhold payment from LAGs where re-evaluation of claims uncovers ineligible expenditure.

3. LEADER 2014-2020

- Future funds – process is evolving slower than anticipated by Scottish Government due to time spent on Audit Scotland issues.
- Discussions are ongoing about the role of Community Led Local Development (CLLD) with regard to the Common Strategic Framework.
- It will be appropriate for Local Development Strategies (LDS) to cover rural and fisheries elements.
- To some extent there is still quite a bit of guesswork involved as far as delivery is concerned.
- A small group of LEADER Lead Partners and Chairs has been set up to consider ideas.
- SG will invite submissions of Expressions of Interest for working up local Development Strategies.
- An on-line Knowledge Hub has been set up where all relevant documents can be accessed.
- This on-line open forum will cover specific discussions and questions.
- Concern expressed about towns which exceed the population threshold.
- If the fisheries programme is to be part of the LDS then for Aberdeenshire, Peterhead and Fraserburgh must be included.
- Fisheries colleagues are invited to attend the next Strategic Board Meeting.
- Community Planning Partnerships (CPPs) vary widely across Scotland making it difficult to come up with a single model to suit all.
- LDS guidance will help with this.
- Local Authorities must be allowed to articulate to Scottish Government about how they want things to work to meet the aspirations of LEADER.
- How can LEADER help small businesses grow in remote rural areas?
- How can LEADER share the great things they are doing locally on a more national level?
- If there is a rural strategy in place then how can LEADER help to deliver that strategy?
- Should LEADER focus more on animation?
- Possibility of using Rural Partnerships to help with local animation linking to LEADER.
- It is the role of LEADER to engage the community about their aspirations and ambitions.
- Economic Development needs to be a key focus factor for the next

- programming period.
- LEADER is currently community based but the benefits have been felt much more widely.
 - These collaborative approaches are benefiting businesses through a ripple effect.
 - How do small businesses become more involved?
 - How can we help to change the focus?
 - LEADER is good at the softer outcomes/outputs but these are difficult to measure.
 - Minimum cohesive population of a LAG is circa 10k.
 - Maximum population could be more of an issue.
 - There may be some slight changes to LAG boundaries but it is expected these will be similar to what they are just now.
 - Developing a strategy will be a two way process.
 - Various drafts are to be considered.
 - Scottish Government may set key areas to be covered.
 - The aim of having the strategy signed off by mid to late 2014 is still considered to be achievable.
 - Decision still to be reached regarding how much funding will be awarded for the next programming period.
 - It was considered likely that the same percentage of funding may be allocated to the next programme, i.e. 5% of EAFRD. However this may equate to 5% of a lesser amount.
 - Scottish Government has yet to come up with a formula for allocating funds.
 - Aberdeenshire population is circa 234k. Fisheries would include Peterhead and Fraserburgh so a larger population threshold will be essential for Aberdeenshire.
 - Must be greater linkage between rural and urban.
 - Some towns which are ineligible for LEADER funding in the current programme are interdependent with the wider outlying rural area.
 - Important to establish just how enabling the LAG wants the LDS to be.
 - How will the programme be administered on behalf of the LAG?
 - LEADER Strategic Board (LSB) meets on 19 March. Belinda will report back to the LAG meeting on 21 March.

On behalf of the LAG, Belinda thanked Alistair Prior for attending the meeting and updating the LAG on the current situation with regards to audit and future funds.

4. DATE OF NEXT MEETING

PAC meeting: Tuesday, 4 June 2013, Conference Room E2,
Woodhill House

LAG meeting: Wednesday, 19 June 2013, Venue TBC