

NALAG Constitution v1
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1) The Local Action Group (LAG)

1.1 The South Aberdeenshire LAG is a partnership of community, private and public organisations who have joined together to develop and deliver the South Local Development Strategy (LDS) in partnership with the North East Scotland Fisheries Local Action Group (NESFLAG). The LAG will manage, administer and deliver allocations of European Union and Scottish Government rural funding for the delivery of the LDS. The LAG has no formal legal status.

1.2 The following organisations are members of the South Aberdeenshire LAG:

Member Organisation		
Community	Private	Public
Aberdeenshire Voluntary Action	Aberdeen & Grampian Chamber of Commerce	Aberdeenshire Council
Garioch Community Councils	Federation of Small Businesses	Forestry Commission Scotland
The Garioch Partnership	National Farmers' Union Scotland	NHS Grampian
Kincardineshire Development Partnership	Scottish Agricultural Organisation Society	North East Scotland College
Marr Local Community Councils	Scottish Land and Estates	Scotland's Rural College
Marr Area Partnership	Visit Royal Deeside	Scottish Enterprise
		Scottish Natural Heritage
		Visit Scotland

1.3 The role of the South Aberdeenshire LAG is to:

1.3.1 Enable the delivery of the South Aberdeenshire Local Development Strategy in line with its accompanying business plan, communications plan and monitoring and evaluation framework, in partnership with the North East of Scotland Fisheries Local Action Group (NESFLAG);

1.3.2 Identify development needs and funding priorities for the South Aberdeenshire area within the framework of the South Aberdeenshire Local Development Strategy;

1.3.3 Appraise and approve/reject project applications;

1.3.4 Commission activities where appropriate;

1.3.5 Animate the South Aberdeenshire LAG area, stimulating and enthusing the territory;

1.3.6 Hold frequent meetings in line with the business plan;

1.3.7 Network with other LAGs and stakeholders;

1.3.8 Disseminate good practice.

1.4 A Chair and two Vice Chairs will be appointed from the South Aberdeenshire LAG membership. The position of Chair will not be held by the Accountable Body, although one of the Vice Chair positions may be. The Secretariat will issue a call for expressions of interest from LAG members to undertake the Chair or Vice Chair positions. Nominations will be presented to the full LAG who will make the decision on appointments. Where agreement cannot be reached by consensus, a vote will be held where a simple majority will be required for a candidate to be appointed. Each position will be held for a period of two years, after which the process will be repeated. Incumbent Chairs/Vice Chairs will be eligible to stand for re-election.

2) The Accountable Body

2.1 Aberdeenshire Council will act as the accountable body for the allocations of funding of European Union and Scottish Government funding for the delivery of the South Aberdeenshire Local Development Strategy.

2.2 The role of the accountable body is to:

2.2.1 Ensure that South Aberdeenshire LAG funds are managed appropriately in a way which complies with legislative requirements as issued by the Managing Authority (the Scottish Government);

2.2.2 Underwrite and guarantee South Aberdeenshire LAG expenditure;

2.2.3 Provide advice and support to the South Aberdeenshire LAG;

2.2.4 Provide advice and support to project applicants and managers;

2.2.5 Process and pay project claims;

2.2.6 Provide a bank account and cash flow;

2.2.7 Maintain auditable records;

2.2.8 Enter into and adhere to a Service Level Agreement with the Managing Authority (the Scottish Government);

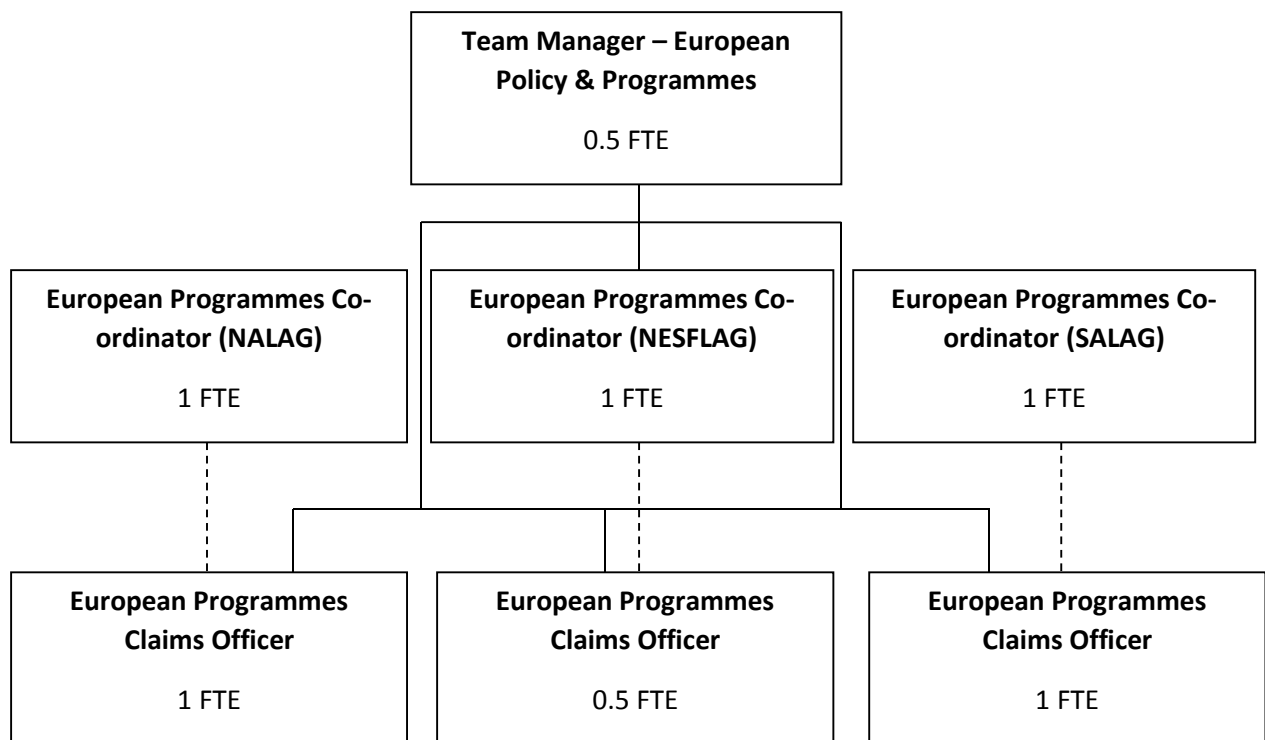
2.2.9 Provide professional services including accountancy, audit, legal, human resource, quantity surveying, public relations and communication and travel services;

2.2.10 Employ Secretariat staff on behalf of the South Aberdeenshire LAG;

2.2.11 Provide office space and IT equipment for the Secretariat.

3) The Secretariat

- 3.1 A Secretariat will be employed by the Accountable Body with the agreement of the South Aberdeenshire LAG. Staff will be employees of the Accountable Body and their terms of employment, including remuneration, will be consistent with the Accountable Body’s rules and procedures. Staff will be line managed by the Accountable Body.
- 3.2 The Accountable Body will provide services to the South Aberdeenshire LAG and the roles and remits of Secretariat staff will be to provide advice, guidance and support to the South Aberdeenshire LAG and project applicants/managers. The South Aberdeenshire LAG Chair and/or Vice Chair(s) will be involved in any recruitment process or transfer of staff to LAG duties.
- 3.3 The LAG Staff Structure will be as follows:



- 3.4 The secretariat will be shared between the North and South Aberdeenshire LAGs and a single Fisheries Local Action Group (FLAG) for Aberdeenshire and Angus. Staff will work across the (F)LAGs to ensure transparency and delineation of responsibilities between project support/administration and compliance checks.
- 3.5 Each LAG and FLAG will maintain a dedicated Co-ordinator who would be the primary point of contact for (F)LAG members, project applicants/managers and the Managing Authority for each (F)LAG.

4) Structure

- 4.1 The body which will have ultimate decision-making powers relating to the European Agricultural Fund for Rural Development (EAFRD) elements of the Local Development Strategy and accompanying budgets will be the South Aberdeenshire Local Action Group (SALAG).
- 4.2 Where a gap in LAG membership is identified (either from a geographical, sectoral or skills/experience perspective), an open call for new members will be launched. Applicants will be required to fill in an application form which will be considered by the LAG, who will make the ultimate decision by simple majority (but ideally consensus) on new LAG members.
- 4.3 Each member organisation must complete a membership application form and will have one vote on the LAG. Membership records will be maintained by the LAG Secretariat. At the invitation of the LAG, non-members may participate in meetings as observers or experts. Non-members may participate in discussions where appropriate and agreed by the Chair/Vice Chairs but may not vote on decisions. All decisions on funding awards must remain confidential until applicants are formally notified.
- 4.4 A Chair and two Vice Chairs will be appointed from the South LAG membership. The position of Chair will not be held by the Accountable Body, although one of the Vice Chair positions may be. The Secretariat will issue a call for expressions of interest from LAG members to undertake the Chair or Vice Chair positions. Nominations will be presented to the full LAG who will make the decision on appointments. Where agreement cannot be reached by consensus, a vote will be held where a simple majority will be required for a candidate to be appointed. Each position will be held for a period of two years, after which the process will be repeated. Incumbent Chairs/Vice Chairs will be eligible to stand for re-election.
- 4.5 The LAG will meet either as a whole group (the LAG Committee) or in smaller configurations (the Project Assessment Committee and Strategic Group). Only the full LAG Committee will have decision-making powers unless these are formally delegated to the Accountable Body or a sub-group.
- 4.6 Terms of Reference for the LAG Committee; Project Assessment Committee; and Strategic Group are set out at Appendices 1 to 3 of this document.

5) Conflicts of Interest

- 5.1 A conflict of interest is commonly defined as a situation that has the potential to undermine impartiality due to the possibility of conflict between individual or collective self-interest, professional interest or public interest.
- 5.2 The South Aberdeenshire LAG will:
 - 5.2.1 Hold an up-to-date register of interests of LAG members;

- 5.2.2 Make sure that no close relative of an individual applicant or an employee or representative of an organisation applying for funding can:
- (i) Participate in the LAG decision making process;
 - (ii) Score an application from that applicant (which, for the avoidance of doubt, may include the accountable body);
 - (iii) Be involved in any monitoring activities relating to the applicant.
- 5.2.3 The meeting chair (or LAG chair) must make sure that minutes of LAG meetings record when a conflict has been raised and the steps taken. The Chair will have ultimate responsibility to resolve any conflict of interest questions or queries, regarding a LAG member's right to be involved in the decision-making process and right to vote.
- 5.2.4 Declarations of interest must be made and recorded at the beginning of each meeting. LAG members with a financial interest in a project (as project sponsor, partner or match funder) may not participate in discussions or decisions on project recommendations.

6) Commitment of Expenditure

- 6.1 The South Aberdeenshire LAG may commit project funds through the commissioning of projects or a competitive grants process. Allocations must not exceed the indicative budget set out in the Business Plan. However, the allocations in the Business Plan may be amended by a LAG decision provided that the minimum 10% allocations for rural business; farm diversification; and co-operation are respected.
- 6.2 Commissioned activity will be procured using the Accountable Body and Scottish Government's procurement processes.
- 6.3 The competitive grants process will operate as follows:
- 6.3.1 The applicant submits an **Expression of Interest** through the Scottish Rural Network website. The Expression of Interest is reviewed by the relevant Co-ordinator who completes an assessment and notifies the applicant as to whether or not they can proceed to the next stage. The Co-ordinator can only reject an Expression of Interest if the proposed project is technically ineligible (e.g. ineligible activity, applicant or geographical area).
- 6.3.2 The LAG sets a deadline for the submission of **Full Applications**. The Co-ordinator works with applicants to complete, refine and submit their full application through the approved process. Only applications which are received in full and submitted by the deadline will be technically assessed by another LAG Co-ordinator or the Team Manager and qualitatively assessed by the Project Assessment Committee.

- 6.3.3 The **Project Assessment Committee** (PAC) will score applications and may request clarification/refinement/further information etc. from applicants. A deadline will be set for the submission of any requested information. Failure on the part of the applicant to meet this deadline will result in the deferral of their application to the next application round. Final applications and supporting documentation will be uploaded into the Members' area of the LAG website at least 1 week prior to the LAG Committee Meeting.
- 6.3.4 The **LAG Committee** will review the applications and the recommendations of the PAC, along with a report from the LAG staff on the implications of approving projects with regards to the targets in the Local Development Strategy. The LAG Committee will then decide upon whether or not to fund projects by a simple majority. In the event of a tied vote, the Chair will have the casting vote. LAG staff will then notify applicants of the decision in writing. LAG Committee decisions on allocations must be kept confidential until applicants have been notified of the decision.
- 6.4 Expenditure may be committed and spent by LAG staff in line with the delegated powers section (Section 11) of this constitution. In order to ensure the correct separation of duties, all project expenditure must be approved by the Team Manager (or another Council Officer such as their Line Manager in event of their absence) before being paid out. Project expenditure will only be reimbursed if the conditions set by the Managing Authority are met (e.g. provision of evidence of defrayal of expenditure; proper completion of claims forms; eligible expenditure etc.). Similarly, all project amendments must be approved by the Team Manager (if in line with the delegated powers) or the LAG Chair (if the request exceeds the limitations in the delegated powers).
- 6.5 Administration and Animation expenditure may be committed by the Co-ordinator provided that this is in line with approved budgets and the Accountable Body's financial procedures are followed.

7) Appeals

- 7.1 The Scottish Government is to develop an appeals procedure, but this has not yet materialised. Until this process is agreed, the South Aberdeenshire LAG will implement its own procedure.
- 7.2 Appeals may be considered against the following decisions:
- 7.2.1 Rejection of an Expression of Interest by LAG staff;
- 7.2.2 Rejection of a funding application by the LAG Committee;
- 7.2.3 Refusal of a change request to a live project by LAG staff/the LAG Committee;
- 7.2.4 Refusal to reimburse expenditure claimed by a project sponsor by LAG staff/the LAG Committee;

- 7.2.5 Decommitment of a project by the LAG Committee.
- 7.3 Appeals must be submitted in writing by the complainant within 30 calendar days of the notification date of a decision, either by email through the SALAG mailbox; letter to the LAG Office or through the LARCs system. Appeals received after this deadline will not be considered. Appeals will be considered within 60 days of the date of their receipt by LAG staff.
- 7.4 Appeals against the decisions of LAG staff (e.g. rejection of an Expression of Interest; change request; reimbursement of expenditure) will be considered by the LAG Chair, Vice Chairs and Accountable Body. Complainants will be notified in writing of their decision.
- 7.5 Appeals against the decisions of the LAG Committee or Chairs/Vice Chairs/Accountable will be referred to the Scottish Government as Managing Authority. The decision of the Managing Authority will be final.

8) Monitoring & Evaluation

- 8.1 Arrangements for monitoring and evaluation are set out in full through a dedicated Monitoring and Evaluation Plan. Monitoring and evaluation will be carried out in three areas:
- 8.1.1 Implementation of the Local Development Strategy;
- 8.1.2 Governance of the LAG;
- 8.1.3 Implementation of projects.
- 8.2 The Monitoring and Evaluation Plan will aim to:
- 8.2.1 Quantify outputs, outcomes and results from project to strategy level;
- 8.2.2 Demonstrate the contribution of funds to wider policy objectives;
- 8.2.3 Assess the effectiveness of interventions and the overall strategy;
- 8.2.4 Provide an evidence base upon which to review and revise the strategy;
- 8.2.5 Provide the LAG with the information required to ensure that the strategy is delivered.
- 8.3 Regular reports will be given to the LAG on the implementation of the Monitoring and Evaluation Plan, which will be led by the Team Manager – European Policy & Programmes. A wide range of stakeholders will be involved in the monitoring and evaluation process including LAG members, FLAG staff and project sponsors.

- 8.4 Monitoring and evaluation will take place throughout the programme period, with data gathered from project applications/claims, surveys and input from key stakeholders on an ongoing basis. Indicators will be selected based on the European Commission's core indicators and guidance from the Scottish Government.
- 8.5 An internal mid-term review of the LDS and governance will take place at which time consideration may be given to revising/updating the LDS. An independent evaluation of the overall programme will take place at the end of the programme.
- 8.6 The outcomes of the plan will be disseminated both within and beyond the LAG through the mechanisms set out in the Communication Plan.

9) Communication Plan

- 9.1 The SALAG Communications Plan is set out in the SALAG Business Plan. The aims of the plan are to:
 - 9.1.1 Actively promote the work of South LAG and NESFLAG, including its LDS' vision, aims, and objectives within the local and business community, across Scotland and beyond;
 - 9.1.2 Undertake regular and robust communications and engagement with key stakeholders, including rural and fisheries communities and businesses, other (F)LAGs and the Managing Authority;
 - 9.1.3 Publicise and share our achievements and impacts widely;
 - 9.1.4 Encourage local residents and businesses from across our diverse communities to further engage in the development of rural and fisheries areas and engage with the (F)LAG; and
 - 9.1.5 Increase the level of understanding and awareness within the local community of the role which the EC plays in rural economic development.
- 9.2 Communications and promotional activity will be underpinned by the following principles:
 - 9.2.1 Use of simple language and clear messages - all communications and publicity will be written in Plain English, avoiding unnecessary jargon or technical terms to ensure it is understandable to all;
 - 9.2.2 Identification of a clear referral process - communications and publicity will include a "next point of contact" or "for further information" to raise awareness within local communities where feasible and appropriate;
 - 9.2.3 Explicit acknowledgement of funding partners - all appropriate EU and Scottish Government logos will be used in information, materials and publicity

related to actions funded through the South Aberdeenshire LDS where feasible and appropriate. Commission Regulations on publicity guidelines will also be incorporated into the grant award letter which all applicants will be required to sign and return. Guidance will be provided on appropriate use of logos by supported projects and on signage for any capital projects taken forward; and

- 9.2.4 Monitoring of communication and publicity effectiveness - as part of the annual Business Plan review, communication and publicity activity will be reviewed to assess its effectiveness in engaging with the local community. The evaluation of the programme will also seek feedback on communication and promotional activity with a view to identifying what has worked well and not to well.
- 9.2.5 Quotes from the LAG Chair/Vice Chairs will be included in publicity materials as and when appropriate. SALAG members will have a role to play in promoting the work of these partnerships, for example participating in events and other promotional or networking opportunities.
- 9.2.6 The SALAG Co-ordinator will have lead responsibility for ensuring the implementation of the communications and publicity plan, including stakeholder engagement. This will ensure a co-ordinated and tailored approach to publicity across SALAG's communications with their various external stakeholders groups.

10) Disputes

- 10.1 In the event of any disagreement between the South Aberdeenshire LAG and the Accountable Body which cannot be resolved between the two parties, disputes will be resolved through arbitration/mediation by an independent party such as the Scottish Government.

11) Delegated Powers

- 11.1 The following powers are delegated to the Accountable Body:
 - 11.1.1 The ability to make payments on behalf of the South Aberdeenshire LAG in line with agreed project approvals/the agreed administration budget in line with eligibility criteria, regulations, legislation and European Union/Managing Authority guidance.
 - 11.1.2 The ability to commit expenditure from the administration budget provided that this does not exceed agreed administration budget line amounts (+/- 10%). Any variation to budget lines must be agreed by the South Aberdeenshire LAG.
 - 11.1.3 The ability to pay expenditure to project sponsors/contractors in line with their approved project financial profile. The Accountable Body will be empowered

by the LAG to approve changes between budget lines for projects provided that the overall financial or percentage contribution to the project would not be exceeded. Any material changes to project activities must be approved by the LAG Chair or in their absence Vice Chair.

11.2 The following powers are delegated to the Chair and Vice Chairs:

11.2.1 Ability to approve project amendments on behalf of SALAG;

11.2.2 Ability to resolve appeals against LAG staff decisions;

11.2.3 Ability to write to the Managing Authority/other stakeholders on behalf of the LAG;

11.2.4 Ability to represent the LAG at external meetings or agree other nominated representatives.

12) Travel and Subsistence

12.1 LAG members will be entitled to claim travel and subsistence costs for their participation in LAG events and pre-approved attendance at external events on behalf of the LAG.

12.2 LAG members must claim expenses in arrears through the completion and submission of a travel and subsistence form, which must be supported by receipts.

12.3 Mileage at approved HMRC rates or economy-class public transport may be claimed.

12.4 Where the LAG member is an employee of the LAG Member Organisation they represent, expenses will be restricted to the actual cost of travel, but may not exceed the cost of travel from the registered address of the LAG Member Organisation to the meeting venue. LAG members must either certify that they are not claiming expenses directly from their employer; or claim expenses from their employer who in turn invoices the LAG for these costs. In the latter case, a full audit trail demonstrating payment to their employee must be provided by the LAG Member Organisation.

12.5 LAG members who represent LAG Member Organisations in a voluntary capacity may claim costs from their home to the meeting venue.

APPENDIX 1 – LAG COMMITTEE TERMS OF REFERENCE

1. Introduction

- 1.1 The main decision-making body for LEADER-funded elements of the South Aberdeenshire Local Development Strategy will be known as the South Aberdeenshire Local Action Group Committee.

2. Remit

- 2.1 The South Aberdeenshire LAG Committee's remit is to:
- 2.1.1 Consider and approve, reject or defer project grant applications;
 - 2.1.2 Commission projects to support the implementation of the South Aberdeenshire Local Development Strategy;
 - 2.1.3 Agree financial allocations and virements between LAG budget lines for areas which are not delegated to the Accountable Body;
 - 2.1.4 Consider reports from the LAG Secretariat on the implementation of the Local Development Strategy; monitoring and evaluation; and communication;
 - 2.1.5 Ensure the implementation of the South Aberdeenshire Local Development Strategy;
 - 2.1.6 Agreeing amendments to the Local Development Strategy and Business Plan when required.

3. Structure and Meetings

- 3.1 The LAG Committee will be composed of community, private and public member organisations as set out in the South Aberdeenshire Business Plan.
- 3.2 A quorum of 5 members will be required for LAG Committee meetings to make decisions/agree recommendations. Consent for decisions by email will be permitted when quorum is not met at LAG Committee meetings.
- 3.3 Meetings will be chaired by the appointed LAG Chair or Vice Chair. In cases where neither Chair nor either Vice Chair is present, the meeting may be chaired by another LAG member with the agreement of the LAG Chair.
- 3.4 Declarations of interest must be made and recorded at the beginning of each LAG Committee meeting. LAG members with a financial interest in a project (as project sponsor, partner or match funder) may not participate in discussions or decisions on project recommendations.

APPENDIX 2 – PROJECT ASSESSMENT COMMITTEE TERMS OF REFERENCE

1. Introduction

- 1.1 The South Aberdeenshire Local Action Group Business Plan makes provision for the establishment of sub-groups to support the work of the Local Action Group (LAG). The South Local Action Group has agreed to establish a Project Assessment Committee (PAC) as a sub-group to the LAG.

2. Remit

- 2.1 The PAC's remit is to:

- 2.1.1 Examine and score project applications prior to consideration by the full LAG Committee;
- 2.1.2 Identify any areas of project applications which require amendment/clarification from the applicant;
- 2.1.3 Make (non-binding) recommendations to the full LAG Committee on whether or not to approve project applications.

3. Structure and Meetings

- 3.1 The PAC will be composed of a minimum of 5 organisations, appointed by the LAG Committee. No more than one representative of a LAG member organisation may participate in each meeting, but substitutes may attend in place of the substantive PAC member.
- 3.2 A quorum of 5 members will be required for PAC meetings to make decisions/agree recommendations. Consent for decisions by email will be permitted when quorum is not met at PAC meetings.
- 3.3 The PAC will appoint a Chair, to be agreed by the PAC by a simple majority. In the instance that the PAC cannot agree a Chair, the LAG Chair will have the final decision.
- 3.4 Meetings will be chaired by the appointed PAC Chair. In cases where the PAC Chair is not present, the meeting may be chaired by another PAC member with the agreement of the PAC or LAG Chair.
- 3.5 The PAC will meet prior to each LAG meeting when there are project applications to be assessed.
- 3.6 Declarations of interest must be made and recorded at the beginning of each PAC meeting. PAC members with a financial interest in a project (as project sponsor, partner or match funder) may not participate in discussions or decisions on project recommendations.

APPENDIX 3 – STRATEGIC GROUP TERMS OF REFERENCE

1. Introduction

- 1.1 The Strategic Group will operate as an informal consultative group of Office Bearers and the (F)LAG secretariat.

2. Remit

- 2.1 The Strategic Group's remit is to:
 - 2.1.1 Ensure that the delivery of the North and South Aberdeenshire Local Development Strategies is co-ordinated between the different (F)LAGs;
 - 2.1.2 Act as an informal consultative group to consider policy and financial matters prior to full consultation/approval by the (F)LAGs;
 - 2.1.3 Review the skills matrix of (F)LAG membership.

3. Structure and Meetings

- 3.1 The Strategic Group will be comprised of Chairs and Vice Chairs of the North Aberdeenshire Local Action Group, South Aberdeenshire Local Action Group and North East Scotland Fisheries Local Action Group; and staff from the (F)LAG Secretariat.
- 3.2 Most meetings will involve representatives from all three (F)LAGs, but the group may meet in a smaller configuration (e.g. rural only, one LDS area only) to consider specific matters relevant only to one programme or area.
- 3.3 The Strategic Group will be an informal group with no decision making powers. It will assist in the drafting of recommendations to the full (F)LAG Committee and discuss relevant policy and financial matters.