

Approved Minute of SALAG PAC Meeting
Tuesday, 30th August 2016 at 2.00pm
Ury room, Gordon House, Inverurie

Present

Belinda Miller	Aberdeenshire Council (Public)
Dawn Brown	Garioch Area Partnership (Public)
Gavin Clark	Scottish Natural Heritage (Public)
Gina Ford	Scottish Enterprise (Public)
Gerald Banks	National Farmers' Union Scotland (Private)
Elaine Sinclair	Aberdeenshire Voluntary Action (Private)

Officers in Attendance

Martin Brebner	Team Manager – European Programmes & Policy
Alasdair Cunningham	European Programmes Co-ordinator (South)
Flick Ibbotson	European Programmes Co-ordinator (North)
June Jaffrey	European Programmes Claims Officer (South)

Apologies

Lorna Paterson	National Farmers' Union Scotland (Private)
David Nelson	Kincardineshire Development Partnership (Private)
Dawn Tuckwood	NHS Grampian (Public)

Welcome & Apologies

The PAC Chair welcomed those present. Apologies were noted as above.

1. Declarations of interest

1.1 The following declaration of interest was noted;

- Dawn Brown - SALAG/2016/R3/022 – Bennachie Welcomes
SALAG/2016/R3/023 – SensationALL

2. Minutes for Approval 24th May 2016

2.1. The draft minute of the PAC meeting of 24th May 2016 was approved as a true record.

2.2. Due to the long period of time between PAC meetings, it was agreed that future PAC minutes should be considered for approval at the following LAG meeting. This will allow the approved minutes to be uploaded on the website more timeously.

3. Introduction

- 3.1. The Co-ordinator advised that few of the projects under consideration had come forward for discussions with himself.
- 3.2. As previously agreed at an earlier meeting to utilise expertise of LAG members, the Eols were circulated with requests for any interested LAG members to advise and support applicants in working up their applications. Dawn Brown assisted two applicants and Liam Smyth assisted one applicant, support was also provided by Aberdeenshire Council Business Development Executive Heather Macrae. Several of the projects for consideration are re-submissions from earlier application rounds.
- 3.3. It was advised that it is a business as usual approach in light of the Brexit result until advised otherwise by the Scottish Govt. The Cabinet Secretary issued a letter recently advising that until the Autumn statement there is no change to the programme.
- 3.4. The PAC Chair supports the view that large capital projects which have been approved are to continue. The Co-ordinator re-iterated that once a project application has been approved it is fine to proceed. A date of March 2018 has been circulated as a potential end date for the programme but this is not confirmed.
- 3.5. The Co-ordinator advised that match funders are becoming reluctant to support potential LEADER applicants which may result in funding difficulties for applicants.

4. Projects

- 4.1. The PAC are asked to consider the merits of each application for recommendation to the LAG.

4.2. SALAG/2016/R3/018 – NETCO

This project is for a Feasibility study into the best site for investment towards a mountain bike trail network and a wider centre that supports the trail. During assessment there were technical issues identified with; value for money, demonstration of costs, policies and procedures and provision of bank statements. Financial information is required to be submitted and there is no clear delineation on what the project actually is. The bigger project confuses the application picture and they need to provide evidence to justify costs. These issues can be firmed up prior to going to the LAG.

Concerns arose on the £5.5k raised through crowd funding which the applicant has undertaken and what those funds will be used for as they made no mention of these funds in the application. Their Facebook page had indicated that the crowd funding monies were to be used against a feasibility study to look at potential sites. The match funding package is unconfirmed and hazy and requires tightening up. The applicant mentioned a survey had been undertaken but no evidence was supplied with the application. The PAC felt it would be useful to see what number of respondents they had and if the questions were objective. Assumptions on 8FTEs was felt to be very ambitious.

The PAC members queried the links to the horizontal themes around Equalities and access which were weak and would require further information submitted, along with an exit strategy and quotes for the feasibility study. The PAC felt the application was very well presented and put together given the applicants are a volunteer group.

To satisfy the PAC the applicant would be required to provide information and expand on the following queries;

- Quotes – required for the contracting of the feasibility study
- Horizontal themes – further information required
- Survey – results to be evidenced
- Exit strategy – to be considered and evidenced

PAC members submitted scoring sheets for this project.

THE PAC WAS SUPPORTIVE IN PRINCIPAL AND RECOMMEND THAT FURTHER INFORMATION BE REQUESTED FOR THE LAG MEETING.

4.3. **SALAG/2016/R3/019 – Guy Haslam**

The application was withdrawn by the applicant and therefore not discussed.

4.4. **SALAG/2016/R3/020 – Exhibition Spaces**

This project is a re-work of an earlier application which had been submitted in Round 1 and was advised by the PAC to withdraw for re-working. The aim is to create two interactive exhibition spaces within St James Church which will cover the history of the church and the unique history and journey of the organ to Stonehaven. A number of technical queries remain with inconsistency of numbers, forecasting, projections and outputs are not clear and do not necessarily align with the LDS. A demonstration of financial need is required.

Among several technical issues with the project, the main concern is the Match funding seems to come from the Heritage Lottery Fund but has not been evidenced, prompting a concern that it is part of a bigger project which may have already started. Should this be the case then the project application would be deemed ineligible. It was noted that HLF do not ring fence funds for specific parts of a project and that no congregation or STP funds were allocated as match funding.

The PAC raised concerns on the niche interest element of this application and the concerns that there may be little repeat customers and an inability to reach the wider community along with concerns that there would be little floor space beyond the exhibition spaces for other users of the church. There were concerns that the application is opportunistic and that evidence of demand and need has not been established. The capacity to deliver was questioned as the applicant states that the project can be postponed suggesting flexibility of deadlines. The validity of the project is to be clarified with the applicant. The figures between sections 7 and 9 do not add up.

Queries were raised by the PAC regarding;

- HLF application – application form and funding information to be provided

- Match funding – clarity statement required
- Donations – clarity required as this cannot be predicted
- Demand – evidence of need and demand required
- Validity of project – to be clarified by the applicant prior to submission to the LAG
- Bigger HLF award – clarity required

PAC members submitted scoring sheets for this project.

THE PAC WOULD REQUIRE FURTHER INFORMATION BE PROVIDED BEFORE GOING TO THE LAG.

4.5. SALAG/2016/R3/021 – Aberdeenshire Highland Beef

This project is the diversification of an agricultural business with the evolution of a small farm through a new start entrant to the agricultural sector. With the project application being for equipment to set up a small scale mobile butchery, the brand establishment and associated materials required for brand establishment. In the longer term a café and shop is planned for a future phase.

The Co-ordinator does not think this project is eligible for FPMC funding as it relates to structures that would be used for vehicular elements (which are not eligible for that scheme) and items required for brand creation but this is being clarified. There is a potential state aid issue in terms of the intervention rate. A SAB small business loan application is being processed, the Co-ordinator advised that Banks will not support projects of this nature without capital assets.

Concerns were raised on the SDLT lease of the farmland and premises and to the length of tenure, projected figures required clarification as they were inconsistent as well as further information on the proposed increase in livestock numbers necessitating a need for more land. Project milestones were not submitted nor permissions for the mobile structure and any associated policies. The intervention rate was seen to be very high for this type of project as FPMC rate would be at 40%.

Clarification required on the Butcher element of the project – whether on an employee or self-employed basis as transparency for recruitment will be required if they are to be an employee.

The applicant should be advised to visit similar local enterprises for guidance and inspiration i.e. The Store at Foveran, Castleton Farm shop and Finzean Farm shop.

Technical issues and concerns with this project are;

- Milestones – dates etc. not submitted
- Policies – to be submitted
- Lease – clarity required on the length of lease term and extent of the site lease
- Expansion of herd – capacity to expand to be clarified
- Demand – evidence of need and demand required
- Butcher – clarify status i.e. contracted or employee
- Quotes – to be provided

- PAC members submitted scoring sheets for this project.

THE PAC RECOMMEND THAT THE APPLICATION BE DEFERRED.

4.6. SALAG/2016/R3/022 – Bennachie Welcomes

Dawn Brown declared a direct interest in this project (The Garioch Partnership are working directly with the applicants) and did not participate in the application discussions.

The project aims to create a café and improve the visitor facility with a modern exhibition space and improved facilities at Bennachie Visitor Centre. The PAC were advised that after refurbishment the centre will remain seasonal opening. The applicants were advised to allow preparation time by submitting the application in a later round but were not persuaded. Overall the Co-ordinator felt this was a good project idea.

There were some technical issues as the application was lacking in revenue projections, quotes and match funding information. It was noted that the organisation have reserves but were not using these as match. The cash flow does not show how they will bank roll the project.

Ownership and management elements of the Bennachie Centre were queried and requires clarification. Clarity on whether the Forestry Commission has been approached as a partner for this project.

The PAC would require further information be provided on the following;

- Match funding – evidence required
- Policies and procedures – to be submitted
- Planning permissions – required to be evidenced (should permissions be required)
- Relationships between organisations re land/building ownership - with Forestry Commission, Baillies of Bennachie, Aberdeenshire Council Ranger Service to be clearly identified
- Displacement – in close proximity to Chapel of Garioch Tea room

PAC members submitted scoring sheets for this project.

THE PAC WAS SUPPORTIVE IN PRINCIPAL BUT RECOMMEND THAT THE APPLICATION BE DEFERRED.

4.7. SALAG/2016/R3/023 – SensationAll

Dawn Brown declared a direct interest in this project (with The Garioch Partnership working directly with the applicants) and did not participate in the discussions.

The Co-ordinator was unaware this project was being re-submitted after taking on board feedback from the last Round. The application has been re-worked with assistance from Dawn Brown in order to demonstrated the rural appeal and enhance

the business case and financial information for this Project Worker post funding application in the Westhill area.

Technical queries arose on; the fit with LDS, indications in the application that revenue would be used as match finding and milestones. A bench marking exercise is required to prove the value they have put on staff is reasonable for the area.

As the application looks to be for core running costs the question of eligibility arose and beneficiaries appear to come from beyond the LAG area which would also make the project ineligible.

The Community Asset Transfer of the Old School House has been passed by Aberdeenshire Council with a 175 year lease at £1 per annum rent.

The PAC voiced uncertainty on the actual use of LEADER funding as the project seems too big and wide for LEADER. The same queries arose at this meeting as arose at the earlier application round meeting. No evidence of who the current beneficiaries are is required and consideration of other funders does not appear to have been undertaken.

For the application to come forward for consideration again additional information on the following would be required;

- Match funding – alternate sources to be explored or underwriting required
- Project activity – requires to be expanded/identified
- User numbers – current session user location figures required
- Milestones – need further work
- Policies - required
- Financial statements – required to be submitted in support of need for finances
- Beneficiaries – evidence of current sessions user numbers required

PAC members submitted scoring sheets for this project.

THE PAC RECOMMEND THE APPLICATION BE CONSIDERED AT THE LAG.

4.8. SALAG/2016/R3/024 – Conversion to Operations

The PAC were reminded that this project had come forward in Round 1 and subsequently withdrawn. The project is for the creation of a hub by way of conversion of an old Court Building; to date a decision has not been given by the Scottish Court Service on the Community Asset Transfer of the premises. The applicants fine-tuned the application and are looking for support towards the creation of a community café and a specialised changing unit (within part of a bigger project).

The Scottish Court Service decision was due on 1 August 2016 and has been postponed until 1 September 2016, meaning that until such time as the applicants are in control of the building the application is ineligible. Should the transfer of the building not be approved then the project is invalid.

There are inconsistencies with the description in the project activities as it is for the management of the asset overall but it is capital costs they are bidding for. There

were numerous problems with the application form itself. Concerns were raised on the handing over of the building to an operational company and the “community café” to a private operator. The way in which the building is operated and managed is to be firmed up. A risk to local businesses in opening another café in the town is apparent and cause for concern.

Other issues were raised on the following;

- Match funding – would be required to be ring-fenced
- Quotes - for the work required
- Demand – evidence of demand for the café and toilet unclear
- Cash flow – management of cash flow for build and clarity of figures required
- Milestones – were inconsistent and do not meet project description
- Community café – appears to be being handed over to a tenant

The PAC were complimentary in the applicant’s aspiration to improve accessible facilities in the town and the repurposing of a prominent building.

PAC members submitted scoring sheets for this project.

THE PAC ARE UNABLE TO MAKE A RECOMMENDATION CURRENTLY AND ASK THAT THE CO-ORDINATOR SPEAK TO THE APPLICANT ON 1 SEPT 2016 TO ESTABLISH THE OUTCOME OF THE COMMUNITY ASSET TRANSFER SHOULD THE TRANSFER NOT HAVE GONE AHEAD THE RECOMMENDATION IS TO WITHDRAW AND RESUBMIT.

4.9 SALAG/2016/R3/025 – Dunbennan Farm Experience

The Co-ordinator met with the farmer a number of times along with their consultant to assist with their project which is to establish a farm shop/petting zoo/farm experience; it is clear that the consultant is not addressing the issues raised in the earlier application (value for money, evidence of need, quality of the business plan,). PAC were reminded that this project had come forward in Round 2 where insufficient application information has been submitted therefore the PAC had been unable to make a decision. The Co-ordinator is reluctant to provide further assistance as guidance is readily available to interpret and best present the case to the LAG.

The business case was considered to be poor with the application not differing considerably from the earlier application and was not fully complete. A promotional video was also submitted. The applicant appears to have fundamentally misunderstood the concept of LEADER; thinking that they deliver an element and LEADER pays for them doing the element, rather than being given the costs.

The proximity to the A96 is considered a positive but displacement regarding similar local farm shops does not appear to have been considered by the applicant. Concerns were raised on the soft play facility being a major part of the application soft play centres locally are struggling financially and have limited appeal now. Information on the education and health elements were not expanded on.

Concerns were raised on the following;

- Application - not significantly different from earlier withdrawn application

- Applicants - understanding of LEADER not accurate
- Application - submitted incomplete
- Education centre - element was not supported with back ground information
- Ownership - of property to be confirmed
- Milestones - were of the same financial value leading the PAC to believe the applicant thought they were to get staged payments

PAC members submitted scoring sheets for this project.

THE PAC DO NOT CONSIDER THE APPLICATION BUSINESS CASE TO BE STRONG ENOUGH TO BE RECOMMENDED TO THE LAG.

4.10 02-P00001 – New Economies (LARCS Based Application)

This application is the first being processed through the LARCS system, the convenience the PAC members viewed the system and application form on a big screen.

This application from Deveron Arts is for a three year project (finishing in Sept 2019) to regenerate Huntly town centre through artist means; identifying needs and concepts in the streets and regenerating shops along with a pop-up kitchen. Exploring the spaces in Huntly and the food culture; a research element is included in the project. The applicant will work with artists in the community to come up with solutions to the town's problems. Once research is undertaken they will pilot ideas in the community with artists helping and identifying and developing the overall concept of the town. An evaluation will be produced at the end. The intervention rate applied for is 50% of the total project costs of £183k.

Concerns were raised on the milestones with this project as their similarity suggests core running costs being the driver for this application. There is no clear demonstrable legacy of the project with the only benefits appearing to be for artists CPD. The outcomes of the application were not clear. The Co-ordinator advised that there was a suggestion from the Chairs and Vice Chairs that this project could be better developed being led by the LAG; either in Huntly or another town to build on a local economy.

The block grant from Creative Scotland requires the applicant to get a 50% match against that sum. A fully redacted bank statement had been supplied as supporting documents. Costs seem inflated for a town of Huntly's size given the outcomes are unclear.

The PAC would require clarity on the following;

- Milestones – the similarities of them
- Bank statement – to be supplied un-redacted
- Legacy outcomes – to be clearly identified and demonstrated
- Demand – evidence of need and demand from local residents required
- Research outcomes – appear pre-determined and tokenistic with no real impact
- Cash flow – was often negative with no plans in place for managing

- Claims – would be difficult to process given the vagueness of the milestones

PAC members submitted scoring sheets for this project.

THE PAC RECOMMEND THE APPLICATION IS REJECTED AS THE PROJECT IS NOT BEST VALUE OF LEADER FUNDS.

5. AOCB

- 5.1. The Co-ordinator will undertake one to one LAG member training with if required. Members are invited to get in touch with the Co-ordinators to arrange dates.
- 5.2. The next PAC meeting will be held on 22 November 2016 at 2pm in the Ury room, Gordon House, Inverurie.

Minute Taker - June Jaffrey, European Programmes Claims Officer
01/09/16



The European Agricultural Fund for Rural Development: **Europe investing in rural areas**