

Approved Minute of SALAG PAC Meeting
Tuesday, 24th May 2016 at 2.00pm
Committee Room 1, Woodhill House, Aberdeen

Present

Belinda Miller	Aberdeenshire Council (Public)
Dawn Brown	Garioch Area Partnership (Private)
Dawn Tuckwood	NHS Grampian (Public)
Gavin Clark	Scottish Natural Heritage (Public)
Gina Ford	Scottish Enterprise (Public)

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)
Gerald Banks	National Farmers' Union Scotland (Private)

Observers

Jamie Wilkinson	European Programmes Co-ordinator (NESFLAG)
Isla Martin	Scottish Natural Heritage (substitute member)

Welcome & Apologies

The PAC Chair welcomed those present and round the table introductions were made. Apologies were noted as above.

1. Declarations of interest

1.1 The following declarations of interest were noted;

- Gina Ford - SALAG/2016/R1/017 – Build up the Bothie
- Dawn Brown - SALAG/2016/R1/013 – Project Development Officer
SALAG/2016/R2/017 – Build up the Bothie
- David Nelson - SALAG/2016/R1/006 – Ringlink Internship
SALAG/2016/R2/015 – The Cottage, Braes

2. Minutes for Approval 23rd February 2016

- 2.1. The draft minute of the PAC meeting of 23rd February 2016 was approved subject to the correction of a typo; replace Dawn Brown with Dawn Tuckwood in section 1.2 Declaration of Interest.

3. Introduction

- 3.1. A question arose regarding meeting the required number for quorum, it was confirmed that quorum was not required for PAC meetings.
- 3.2. Clarification was sought on Logie Coldstone application as applicant is Councillor Farquhar. It was confirmed that there is no conflict of interest as this is not a council project nor is the applicant submitting the project application as a councillor.

4. Projects

- 4.1. The PAC are asked to consider the merits of each application for recommendation to the LAG.
- 4.2. **SALAG/2016/R2/011 – Logie Coldstone**

This is a project to diversify a farming business. Previous funding activity has been undertaken in the Logie Coldstone area in the previous LEADER programme. The application is to convert a redundant pub/shop to serve the community as an eating place, post office services and a place for daily newspapers. The applicant has sought advice from Business Gateway.

The application was reasonably comprehensive but some work would need to be done on their cash flow as the LEADER grant is paid retrospectively which would require the cash flow to be re-worked taking this into consideration. The relationship with the business tenant is unclear and the beneficiary of the project not clearly identified – the building renovated would be leased and tenanted – the cash flow submitted is worked from the tenant's perspective. The cash flow projections provided are not the applicants. The applicants would be required to openly advertise the property as a business opportunity or procure the service.

It has been advised that Aberdeenshire grants have been applied for; Support For Aberdeenshire Business and Rural Shop Scheme (totalling around £9k, Belinda advised that it is unlikely that the applicant would be successful for both grants) along with Opportunity North East (ONE) grant of £30k (it was clarified that ONE are not yet accepting funding applications). It was agreed that grants applied for should have been confirmed rather than speculative.

The PAC felt that although the project was good and had valuable merits it required further detail and that the application may have been submitted too early in the funding package (rather than seeing LEADER funding as the last link).

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

- Procurement of tenant – demonstrate procurement of service or openly advertise the business opportunity.
- Match funding – secure the match funding within 60 days of the LAG decision date.

- Link with Community Planning – Applicant to strengthen community links through Community Planning networks, attending Ward forums etc.

The PAC were required to score this project.

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

4.3. SALAG/2016/R2/012 – Finzean Farm Shop

Finzean Farm shop is seen is a great community hub having recently taken on a twice weekly postal service now requiring alternative/larger premises along with running a local ready meals service. A large number of staff are currently employed at the shop and this is seen expansion would be seen as a great benefit to the community. There are a number of technical issues with the application by way of lack of information regarding planning permissions, providing bank statements, monitoring and outputs (were not provided in the required Local Development Strategy format). The applicant is also putting in an application to ACS (Agriculture Climate Scheme) for footpaths and woodland walks.

Applicant is required to provide information and expand on the following queries;

- Partnership working – demonstrate partnership and collaborative working
- Car parking – clarification on parking required, including cycle parking
- Equality – clarification sought on disabled/person of limited ability access to the post office counter
- Environment – clarification on food waste and recycling

The PAC were required to score this project.

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

4.4. SALAG/2016/R2/013 – Project Development Officer, SensationALL

As Dawn Brown declared a direct interest in this project (The Garioch Partnership are working directly with the applicants), Dawn removed herself from the room during the application discussions.

This charity, established in 2012, meets the local needs of children and adults with support needs and wish to recruit a Development Officer to further develop the vision of the charity through accessible support and engage with the wider community whilst developing the organisation through governance etc. The applicants have also established a need for a Development Worker post.

The application was incomplete; a job description was submitted but no supporting information regarding the bench-marking for the salary was included. Clarity is required on the social enterprise that is to generate the same sum of money monthly throughout the life of the project – what are the social enterprise business and how is this income generated? A feasibility study was included in the application paperwork which describes a wider project with little mention of the Development Officer role,

creating uncertainty as to the management of this post holder and the actual role/duties of the post holder.

The PAC felt the project application in its current form was invalid in that it is more urban than rural orientated. Funding alternatives to LEADER should be sought as there may be a better fit elsewhere.

Queries were raised by the PAC regarding;

- Building – the group did not appear to be in control of the asset
- Match funding – income generating match funding seen as high risk

The PAC were required to score this project.

THE PAC RECOMMEND THAT THE APPLICANT WITHDRAW THE APPLICATION.

4.5. SALAG/2016/R2/014 – Glen Dye Arts Centre

This project application is to further develop a converted steading building by creating an Art Gallery; offering gallery space free of charge to local artists. This space would be publicly accessible and operate as a promotional platform allowing the public to view finished works and talk directly with the artists.

The application documentation was scant with the applicant declining to submit any financial information. The 2026 end date advised is beyond the LEADER programme dates. The professional fees identified are above the cap of 20% and are looking for 100% funding. The driveway and car park improvements will be of benefit to nearby homeowners along with the Arts Centre. No clear indication of future income generation.

Concerns were raised on the following;

- Incomplete application – total costs not broken down
- Management costs – clarity on procurement process for the factoring agent
- Links – no evidence of linking with local Arts projects, Community Planning etc.
- Demand – no evidence of local demand
- Economic benefit – not identified

The PAC were required to score this project.

THE PAC RECOMMEND THAT DUE TO LACK OF INFORMATION THE APPLICANT WITHDRAW THE APPLICATION.

4.6. SALAG/2016/R2/015 – The Cottage - Braes

This project is a traditional farm diversification project; the farm owners wish to develop tourism accommodation by building a house on the farm. The applicant engaged a consultant to develop this application and assist with the LEADER process.

The location was double-checked for eligibility. The application lacked financial information in terms of what, when and the costs associated with and no match funding evidence was provided. The applicant to be made aware that loan charges

are ineligible, the percentage for professional costs are not be above the 20% threshold and that revenue costs need to be off-set. Concerns were raised on the high cost per week to LEADER (£1000) which was worked out on the applicant's rental availability figures along with the fundamental problem of a risk of potential sale of the asset after the end of the programme.

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

- Match funding – evidence required
- Demand – to be evidenced
- Education element – slim link
- Displacement issue – after completion of the development
- Diversification business case – value of this project to be re-examined
- Grant figure – what is the minimum grant required from LEADER
- Sustainability – of tourism business legacy to be established

The PAC were required to score this project.

THE PAC WOULD REQUIRE FURTHER INFORMATION BE PROVIDED BEFORE AN ASSESSMENT CAN BE MADE.

4.7. SALAG/2016/R2/016 – Dunbennan Farm

This application is for a visitor farm centre and café development and is seen as a good business idea but although the Co-ordinator met with the applicant and advised them to work up the application and submit in a later round, the application was submitted just before the deadline.

The application for the café development was largely incomplete; no information was provided on project costs, match funding, income generated, no bank statements were submitted. The bank which would be supporting the applicant is looking for LEADER buy in before they make their own commitment to the business – this is a standard approach from banks. The figures and costing throughout the application were inconsistent and were seen as very high at £600k (100% intervention rate). It was noted that the property in question is not yet in the applicant's control.

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

- Asset – applicant to be in control of the asset
- Displacement – other business locally providing same services identified in the application
- Feasibility study – applicant may find this a useful first step
- Match funding – required to be in place
- Project activity – required to be identified
- Facilities – consideration required on the longevity of the proposed facilities i.e. Soft Play (local establishments offering this are closing down as not financially viable)
- Seasonal activity – consideration required on increasing and generating alternative activity

The PAC were required to score this project.

THE PAC ARE UNABLE TO SUPPORT THIS APPLICATION IN ITS CURRENT FORMAT AS LITTLE INFORMATION WAS PROVIDED.

4.8. SALAG/2016/R2/017 – Build up the Bothie

Dawn Brown declared a direct interest in this project and removed herself from the room during the application discussions.

Gina Ford declared an interest in this project (in her husband as local councillor having ties with the applicants) therefore did not contribute to the application discussions.

The PAC were reminded that this project had come forward and was approved in the last LEADER programme but due to delays in the Bothie development itself it was subsequently withdrawn. The application is for two Youth Workers to work with the community in Kintore to bring greater positives with youth engagement issues.

There were some technical issues as the application was partially complete, the start/finish dates do not align and the project would appear to have started. The application is essentially for monies for salaries. No information provided on recruitment and salary information or management structure – it is uncertain if the employees are already in place. The intervention rate requested is 90% with no indication of what the applicants will do after the funding ends.

The PAC felt that the services provided may currently be undertaken by other providers such as the NHS and local authority and there was no real innovation in the application, along with questions over the applications fit with LEADER.

Queries were raised by the PAC regarding;

- Youth workers – are they currently in post
- Project costs – appeared to be very high
- Intervention rate – 90%
- Rural focus – clarity on whether this is a project with rural focus
- Outcomes – required to be clearer and different to what they currently do

The PAC were required to score this project.

THE PAC RECOMMENDS THAT THE APPLICANT WITHDRAW THE APPLICATION AT THIS STAGE.

5. Deferred Applications from LAG Meeting 22/03/2016

5.1. The PAC are asked to reconsider the merits of deferred applications for recommendation to the LAG.

5.2. SALAG/2016/R1/003 – Nature Kindergarten (Mucky Boots)

This outdoor learning childcare project was deferred from Round 1 as additional information was requested by the PAC. Assistance was provided from Heather Macrae, an Aberdeenshire Council Business Development Executive and LAG member Jean Henretty in order to tighten the business case and financial information.

The revised application came in different versions with none of the dates/milestones having been reworked and some sections still incomplete, the fundamentals of the application are unchanged. The VAT status/registration is unclear. The Cash Flow provided has negative figures with some milestones requiring to be reworked/amalgamated in order to make them reportable. Concerns over the Match Funding coming from the income were raised as Social Investment Scotland will only match fund if the applicant gets LEADER funding. Policies are yet to be provided, along with a formal lease for the Woodland space. The project activity plan is clearly defined.

It has been noted that the applicant has had demonstrable demand and positive feedback for the project idea in that it has been asked to replicate the model across three further Aberdeenshire sites. The applicant also has a Facebook page which is receiving interest from parents.

The PAC feeling is that the project presently is an unproven model raising questions on its long-term sustainability.

Further information is required on the following;

- Lease – formal agreement required for Woodland use and Scout Hall
- Policies – require to be submitted
- Milestones – to be re-worked
- Financial information – to be firmed up
- Local Authority funded childcare places – confirmation that Education & Children's Services are endorsing/authorising funded childcare places
- Operational periods – clarification on the periods of operation i.e. term-time only

The PAC were required to score this project.

THE PAC RECOMMEND THE CO-ORDINATOR FEEDBACK THAT FURTHER INFORMATION BE PROVIDED IN ADVANCE OF THE LAG MEETING.

5.3. SALAG/2016/R1/006 – Ringlink Internship (Ringlink)

This Internship project was deferred from Round 1. The application has been reworked so that the Development Worker role is more focused in developing the future programme, therefore the funding applied for is considerably reduced albeit the fundamentals remain.

The applicant worked with Derek McDonald, Industry Support Executive (Rural) in order to address the earlier PAC queries.

The applicant is required to benchmark the salary, how much is the Development worker paid and how was this figure reached and identify how the figure was reached along with clarification on the £14k of Admin expenditure (are these in addition to their

normal costs). The applicant is VAT registered but has included VAT in the costs. Significant reserves are held by the applicant but has applied for 50% rate. The milestones are only linked to the salary costs; evidence of the results of what is actually produced as a result of this project may be required.

There is evidence that the applicant is looking to make the project activity sustainable after the life of the project by making the course accredited but this is not demonstrated. The applicant may look at a co-operation project in the coming years. The PAC felt that the scope of the project was successful and valuable; filling a gap in this industry and enabling candidates in gaining employment but were concerned that the LEADER funding may not be the right mechanism for funding.

Further information is required on the following;

- Course accreditation – clarify and strengthen this aspect of the application
- Accreditation costs – justification of the costs required
- Admin costs – require benchmarking
- Project costs – justification of the costs required
- KTIF application – get written confirmation from SRDP on outcome and eligibility

The PAC were required to score this project.

PAC SUPPORTIVE IN PRINCIPAL BUT RECOMMEND FURTHER INFORMATION BE REQUESTED.

6. AOCB

- 6.1. Clarification on co-operation activity was sought as Dawn Tuckwood had contacted the Co-ordinator with a project and required clarification. The Co-ordinator advised it is likely to be within the year, possibly after the next two rounds have been held.
- 6.2. Scoring templates are different in the North and South LAGs; these can be changed to be aligned; subject to LAG agreement. Scoring criteria have been reduced by re-phrasing and amalgamating some assessment criteria. The PAC would be required to request the LAG change the template. It was clarified that the PAC are required to score all applications and consideration to be given as to when the scoring be undertaken i.e. before the meetings and feeding the scoring in.
- 6.3. The Scoring template to be uploaded to the LAG websites (once agreed) – for additional applicant information and transparency.
- 6.4. Clarification on the Declaration of Interest procedure to be firmed up i.e. should members absent from the room during the project discussions or refrain from commenting on declared project. A process will be drawn up.
- 6.5. A spending summary to be added to the LAG agenda – for LAG member information.
- 6.6. The LAG meeting will be held on 21st June, 2pm at the Bothie, Allendale Gardens, Kintore.

6.7. The next PAC meeting will be held on Tuesday 30th August, 2pm, Ury room, Gordon House.

Minute Taker - June Jaffrey, European Programmes Claims Officer
27/05/16

APPROVED



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