

APPROVED Minute of SALAG Meeting
Wednesday, 2nd November 2016 at 1.00pm
Council Chamber, Gordon House, Inverurie

Present

Liam Smyth	Aberdeen & Grampian Chamber of Commerce (Chair) (Private)
Gavin Clark	Scottish Natural Heritage (Public)
Ian Cowe	Forestry Commission Scotland (Public)
Gina Ford	Scottish Enterprise (Public)
Bryan Begg	Marr Rural Partnership (Private) (sub)
Belinda Miller	Aberdeenshire Council (Public)
Dawn Tuckwood	NHS Grampian (Public)
Catriona Dougherty	Garioch Community Councils (Private)
Gerald Banks	National Farmers' Union Scotland (Private)
David Fyffe	Scottish Land and Estates (Private)
Dawn Brown	Garioch Rural Partnership (Private)
Elaine Sinclair	Aberdeenshire Voluntary Action (Private)
David Nelson	Kincardineshire Development Partnership (Private)
David McCubbin	Visit Aberdeenshire (Private)

Officers in Attendance

Alasdair Cunningham	European Programmes Co-ordinator (South)
Anne MacLennan	European Programmes Claims Officer (North)

Apologies

Kyrsten Black	Scotland's Rural College (Public)
Jo Robinson	Visit Scotland (Public)
Jean Henretty	Marr Rural Partnership (Private)

1. Welcome & Apologies

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

2. Declarations of Interest

- 2.1 The following declaration of interest were noted;

- David Nelson – SALAG/2016/R3/020 - Exhibition Spaces
- Ian Cowe – SALAG/2016/R3/018 – NETCO
- Liam Smyth – SALAG/2016/R3/021 – Aberdeenshire Highland Beef
- Dawn Tuckwood – 02/P00001 – New Economies

3. Re Approval of LAG Minute 22 March 2016

- 3.1 Due to a change in Audit requirements the Private/Public split regarding decisions on meeting minutes should be clearly noted.
- 3.2 The minute of 22 March 2016 was updated to reflect this change and was presented for re-approval. The minute of the LAG meeting 22 March 2016 was approved as an accurate record. Proposed by Belinda Miller and seconded by Gina Ford.

4. Minute of LAG Meeting 21 June 2016

- 4.1. The minute of the LAG meeting held on 21 June 2016 was approved as an accurate record. Proposed by Belinda Miller and seconded by Dawn Brown.

5. Project Assessment Committee (PAC) Minutes 30 August 2016

- 5.1. The minute of the PAC meeting of 30 August 2016 was approved as an accurate record. Proposed by Elaine Sinclair and seconded by Dawn Brown.

6. Rural Partnership Support Role

- 6.1. The Co-ordinator advised that following a Chairs and Vice Chairs meeting where discussions took place on the lack of quality of applications coming through, solutions were sought to support applicants to produce better quality, robust applications. It was decided to bring on board the capacity of the Rural Partnerships to help and support applicants through the early stages with business planning, project plans and supporting documentation.
- 6.2. The proposal is for a pilot arrangement for a period of six months or to a value of work not exceeding a set value. Partnerships would be required to advise what the cost of support would be per engagement and the LAG would agree the number of engagements to improve the quality of applications coming forward. This would be evaluated at a later date to decide if this arrangement should be carried forward. A possible alternative is using independent consultants was discussed. Consultants could be used where it was felt that the Partnerships do not have staff with the relevant experience. It would be hoped to have this arrangement implemented quickly to enable projects to get off the ground given the Scottish Government timelines. And for the projects to draw down money within the next 2 years. Concern was raised in the risk that we are spoon feeding the applicants; if they lack the skills to complete the application they might be unable to run a project. It was mooted that the indicative figure be around £5k.
- 6.3. Round the table took place with concerns raised regarding the inconsistencies in applications prior to submission, capacity of Partnership Development officers, good applications but poor projects. A question on the six month timescale not being long enough for setting up an arrangement with the Partnerships and delivery was raised – a longer timeline may be better. The Chair advised that timescales were an issue of possibly only two years of funding which can be committed to. The proposal is in six months we commission the three Partnerships to work with the EOI's which have come in and have a good fit with LAG outcomes; these could be advanced and be

before the PAC and get funding timeously. If quality improves with LAG objectives and outcomes being met then a longer term commission process with Partnerships and others may be supported. As Aberdeenshire Council fund the Partnerships it would need to be clarified that this engagement work would not conflict with the current SLA and also what Partnership constitutions allow in terms of business type bids.

6.4 The LAG agreed;

6.4.1. To agree to the pilot for a period of 6 months or to a value of work not exceeding £5k per Partnership.

6.4.2 Marr Area partnership and SALAG will produce an evaluation regards how this pilot has operated.

7. Review of Round Dates

7.1. This review came about due to difficulties with meeting quorum when considering projects. It was noted that until the outcome of the autumn statement (23.11.16) is known we cannot approve any grant awards until further notice – possibly until Feb/March 2017.

7.2. The closing date of 28th October 2016 has been dropped. The schedule of meetings will be three times yearly.

7.3. The LAG agreed;

7.3.1. The postponement of Rounds 4 & 5.

7.3.2. The approval of the remaining dates for 2017.

7.3.3. That resources are concentrated around designing three commissioned based projects – one in each SALAG Rural Partnership area.

8. LAG Quarterly Monitoring Report

8.1. The Co-ordinator presented a report outlining the three projects currently approved in the South which are at varying stages i.e. submitting planning permission and tendering.

8.2. It was clarified that there has been no project expenditure as yet.

8.3. The LAG agreed:

8.3.1. The noting of the Quarterly Monitoring report.

9. Projects

9.1. SALAG/2016/R3/018 – NETCO

Declaration of Interest – Ian Cowe, Forestry Commission

The project application is for a feasibility study to be conducted to address the economic and social case for a mountain bike trail including investigations to find the most suitable site for the proposed trail.

The co-ordinator updated the LAG on the match funding profile for the project and highlighted the fact that, if the applicant is successful in securing the £10,000 from Sport Scotland, there will be sufficient funding to cover the project costs without a contribution from LEADER. The applicant has successfully secured £2,000 from the Marr Area Committee, £1,000 from Kincardine & Mearns Area Committee and £3,000 from SAB. The applicant has committed £9,500 from their own funds, which includes £5,000 raised from a crowd funding campaign to support the feasibility study. If the LAG chooses to invest in the feasibility study, this will free up funds to go towards stages two and three of the capital project.

The LAG commended the progress of the applicant group with regard to securing funding.

Although the project is only for the feasibility study stage, the LAG agreed that there is a huge demand for a facility of this nature in Aberdeenshire. People will travel a long way to use such a facility and from a tourism point of view, the facility will attract a different audience to the Aberdeenshire area.

There is evidence of support for the proposal from other local trail centres.

The LAG considered the mountain bike trail to be an excellent idea and agreed that a feasibility study will be a sensible approach and a very worthwhile way forward in the first instance.

Although the proposed trail will address opportunities for cyclists of varying abilities, it was suggested that equality of access to the site for vulnerable groups should also be considered. This will be addressed as part of the feasibility study.

LAG unanimously supported the project and agreed to approve in principle, with the applicant being asked to confirm the ring-fenced match funding package within the deadline of 60 days.

LAG voted on the project as follows: (9 private votes/4 public votes)

Approve	Reject	Defer	DOI
Gerald Banks (Priv)			Ian Cowe
Bryan Begg (Priv)			
Dawn Brown (Priv)			
Gavin Clark (Pub)			
Catriona Dougherty (Priv)			
Gina Ford (Pub)			
David Fyffe (Priv)			
David McCubbin (Priv)			
Belinda Miller (Pub)			
David Nelson (Priv)			
Elaine Sinclair (Priv)			
Liam Smyth (Priv)			
Dawn Tuckwood (Pub)			

THE LAG RECOMMEND GRANT APPROVAL IN PRINCIPLE OF UP TO £7,400 BE AWARDED.

SUBJECT TO THE FOLLOWING CONDITION;

- **CONFIRMATION OF ALL RING-FENCED MATCH FUNDING WITHIN 60 DAY DEADLINE**

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

Declaration of Interest – Liam Smyth, Aberdeen & Grampian Chamber of Commerce

The funding application is for the capital investment of setting up an on-farm butchery, the creation of an e-shop and establishment of the brand of Aberdeenshire Highland Beef.

The Co-ordinator updated the LAG following answers provided by the applicant to queries raised by the PAC. The main issue highlighted by the PAC was the length of the lease agreement. The applicant has confirmed that the estate has agreed to the continuation of the lease.

The applicant has recently been successful in securing a Supporting Aberdeenshire Business (SAB) loan of £20,000 and SAB grant of £4,000 which completes a full funding profile for the project.

The applicant has been prepared to take advice and is very committed to making the business work – this is not a hobby. There is a good business plan to accompany the application.

PAC suggested that the application could be more suited to Food Processing Marketing and Co-operation (FPMC) funding. However, it was confirmed that the best fit was with LEADER due to the project being too small for FPMC grant.

A local slaughterhouse in Inverurie will be used and there is an on-site butchering facility. LAG highlighted the importance of complying with food hygiene regulations.

There are proclaimed health benefits of meat from highland cattle and the applicant has secured permission to use this on all product branding.

LAG raised some concerns about competition and queried whether there was sufficient project research carried out to evidence demand. The project is based on using premium quality meat and concerns were expressed that the sale of only prime cuts may not be viable. Prime cuts also account for less than 50% of the carcass.

The PAC expressed concerns about the scale of the project with the applicant having a stock of less than twenty cattle. However, the applicant has made links with Balmoral to increase supply in the first instance until the herd has grown.

The LAG agreed that the small, rural business will create employment in the area, products of provenance and will diversify the rural economy to some degree.

LAG agreed that the project will work best by not just having a single commodity and welcomed future plans for a farm shop.

LAG was supportive of the project and voted as follows: (7 private votes/5 public votes)

Approve	Reject	Defer	DOI
Gerald Banks (Priv)	David Nelson (Priv)		Liam Smyth (Priv)
Bryan Begg (Priv)			
Dawn Brown (Priv)			
Gavin Clark (Pub)			
Ian Cowe (Pub)			
Catriona Dougherty (Priv)			
Gina Ford (Pub)			
David Fyffe (Priv)			
David McCubbin (Priv)			
Belinda Miller (Pub)			
Elaine Sinclair (Priv)			
Dawn Tuckwood (Pub)			

THE LAG RECOMMEND A GRANT AWARD UP TO £33,730 BE APPROVED.

9.3. 02/P00001 – New Economies

Declaration of Interest – Dawn Tuckwood, NHS Grampian

This is a three year research project with an artistic slant to regenerate Huntly town centre.

The PAC raised several queries which were addressed by the applicant.

LAG discussed whether such a large investment (£91,000) would be the best use of LEADER funds. The sum of £91,000 represents approximately 40% of the LAG budget allocated to the particular budget heading of Celebrating and Supporting Arts and Cultural Heritage under which this project fits.

Project costs are mainly to cover staff salaries with only some project running costs and LAG considered this to provide a limited outcome and legacy for LEADER funding. The likelihood of serious change with what is being proposed was considered to be limited.

Ian Cowe suggested that the LAG should consider this application as more of a three-year arts programme for Huntly rather than a research project or an economic development project. Ian confirmed that a series of more than fifty events are being planned over the three year period. Funding will cover the cost of salary for a project person plus an intern. Another twelve interns will also be employed although the cost of these additional interns is excluded from the LEADER application. LEADER funding will lever in a further £91,000 of grant funding for Huntly.

Mention was made of Deveron Arts producing materials for Aberdeenshire Council to implement. However, at this stage there is no commitment by Aberdeenshire Council to implement the materials produced and the Council has not been asked to do so.

The LAG suggested that there will be limited impact for the community of Huntly. The involvement of the majority of people of Huntly has been poor in the past. No constructive feedback in terms of outputs has been provided.

In summary:

- The project will not deliver the economic benefits and impact aligned to the SALAG stated objectives and outcomes.
- Deveron Arts has no proven capability to deliver an economic development project and this is not considered to be within the remit of Deveron Arts.
- The project will deliver a low number of benefits for a relatively high cost.
- The applicant has not demonstrated securing best value.
- Limited additionality for LEADER funding.

LAG voted on the project as follows: (8 private votes/3 public votes)

Approve	Reject	Abstain	DOI
	Gerald Banks (Priv)	Ian Cowe	Dawn Tuckwood
	Dawn Brown (Priv)	Bryan Begg	
	Gavin Clark (Pub)		
	Catriona Dougherty (Priv)		
	Gina Ford (Pub)		
	David Fyffe (Priv)		
	David McCubbin (Priv)		
	David Nelson (Priv)		
	Belinda Miller (Pub)		
	Elaine Sinclair (Priv)		
	Liam Smyth (Priv)		

THE LAG RECOMMEND THE PROJECT BE REJECTED.

9.4. SALAG/2016/R3/020 - Exhibition Spaces

Declaration of Interest – David Nelson, Kincardineshire Development Partnership

This application was re-submitted from Round 1.

The project is to create interactive exhibition spaces within St James Church to demonstrate the history of the church.

The PAC issued the applicant with a list of points to be addressed. The questions were addressed but answers were received slightly late. However, due to the LAG meeting being postponed it was considered to be fair to allow the application to come forward to the LAG. The applicant has been unable to progress due to not being in a position to confirm funding from the Heritage Lottery Fund. The HLF application has

passed stage one but this is not a guarantee that funding for the project will be approved.

The Co-ordinator advised the LAG of the following options:

- Approve the project which allows the applicant 60 days to secure a full match funding profile. However, it is unlikely that outcome of the HLF application will be known within that timescale.
- Reject the project which means that the applicant will not be able to re-apply to LEADER.

The preferred option is to defer the project which will allow the applicant to wait for the outcome from HLF and allow more time to further work up the application.

It was highlighted that the milestones do not match the funding package and as such the application was considered to be incomplete at this stage.

Although the LAG considered the application to have a fairly limited appeal, the question was raised as to whether there is in fact something in this project which will be worth funding in the long term.

LAG agreed that it would be unfair to reject the application at this stage due to there being insufficient information provided to make an informed decision.

However, a decision to defer must be backed up with specific information to the applicant about what the LAG wants to see.

The Co-ordinator will inform the applicant that the LAG would welcome further clarity about what the actual aims of the project are before a decision can be made. The applicant will also be asked to clearly demonstrate and justify local need and demand.

LAG voted on the project as follows: (7 private votes/4 public votes)

Approve	Reject	Defer	DOI
	Ian Cowe	Gerald Banks (Priv)	David Nelson
	Elaine Sinclair	Bryan Begg (Priv)	
		Dawn Brown (Priv)	
		Gavin Clark (Pub)	
		Catriona Dougherty (Priv)	
		Gina Ford (Pub)	
		David Fyffe (Priv)	
		David McCubbin (Priv)	
		Belinda Miller (Pub)	
		Dawn Tuckwood (Pub)	
		Liam Smyth (Priv)	

THE LAG RECOMMEND THE PROJECT BE DEFERRED.

10. Discussion – EOI Commissioning

- 10.1 The Chair advised that the LAG could act as a commissioning agent for projects; the Chair had asked in an earlier meeting for project ideas from LAG members to come forward. Scottish Natural Heritage proposed two access projects.
- 10.2 The Co-ordinator advised that commissioning would be when the LAG felt a need for an activity or capital etc. The LAG would nominate one of the partners to lead on the activity with funding at possibly 100% (cash flow dependent), project values of around £150k. The Co-ordinator met with the Area Managers to discuss this concept, with Uryside Park and town centre work in K&M and Marr areas being highlighted. The LAG would also have the means to prompt legacy projects, raising ideas to potential applicants or wider reaching sub-schemes addressing business developments and shop fronts for example. Discussions were also held with Opportunity North East (ONE) to look at larger industries initiatives to help those industries facing issues and enabling them to progress in the future. There is partnership working in the wider community with Food & Drink, Tourism, Life Sciences etc., it was suggested that Visit Aberdeenshire could animate tourism projects which can impact on rural communities and develop these as an EOI.
- 10.3 The Chair has in mind a renewable energy scheme which uses a de-commissioned waterworks but cannot happen due to a community gap in knowledge and capability; although the LAG could undertake – this could provide a potential income stream. The Chair also asked could the LAG be involved in a Huntly economic development project. The LAG view is this could work if the right organisations were involved. The Co-ordinator outlined a “Day of the Region” type project whereby communities bid to host an event to showcase rural community life. SNH propose a sustainable travel project for a safe, continuous cycle link on the Stonehaven – Aberdeen corridor.
- 10.4 The LAG agree to bring forward ideas to the Co-ordinator to be worked up. The LAG commissioned project EOIs received so far will be uploaded to the Members’ Area of the SALAG website. THE LAG to meet in December or in the New Year to discuss further.

Action;

- Upload LAG commissioned project EOIs to the SALAG Members’ Area of the webpage.

11. Audit Findings Paper

11.1 The LAG were presented with the Aberdeenshire Council Internal audit and European Union audit outcomes. The recommendation is to improve some LAG processes to align with EU requirements.

11.2 The LAG agreed:

11.2.1. The noting of the Audit Findings Paper.

12. AOCB

12.1 The Co-ordinator gave the LAG feedback on the “Getting Ready for Investment” event in Laurencekirk. The event was well attended and other LAG areas are to copy to

model. The event was to find ways to develop innovative funding packages out with the usual dependencies.

12.2 The Chair advised that there are vacancies in the Local Action Group and sought nominations; these are to be forwarded to the Co-ordinator.

12.3 Chairman thanked members for their participation.

ACTION	RESPONSIBLE
Upload LAG commissioned project EOIs to the SALAG Members' Area of the webpage.	AC

Minute Taker – Anne MacLennan, European Programmes Claims Officer 02/11/16
Typed – June Jaffrey, European Programmes Claims Officer 10/11/16

APPROVED



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