

**LEADER 2007 – 2013
BUSINESS PLAN
for
SHETLAND ISLANDS
LAG**

**LEADER 2007 – 2013
BUSINESS PLAN
for
SHETLAND ISLANDS
LAG**

Updated - 26th June 2009

Table of Contents

EXECUTIVE SUMMARY	1
SECTION A PARTNERSHIP DETAILS	4
1. Local Action Group Name	4
2. Contact Details	4
3. Partnership Details	4
4. LAG Area	8
5. Population	10
SECTION B: IMPLEMENTATION	11
1. Introduction	11
1.1 Context for Business Plan	11
1.2 Rural Strategy Aims and Objectives	11
1.3 Key Principles	16
1.4 LEADER Themes	16
1.5 LEADER Principles	19
2. Programme of Activities and Actions	22
2.1 Action 1 – LEADER Local Projects	22
2.2 Action 2 – LEADER Co-operation Projects	24
2.3 Action 3 – LAG Administration Costs	25
2.4 Action 4 – Convergence Local Projects	26
2.5 Action 6 – LAG Administration Costs – Convergence	27
3. Project Selection Criteria	27
4. Programme Management	29
4.1 LAG Members and Structure	29
4.2 Administration	30
4.3 Delivery Mechanisms and Application Processes	31
4.4 State Aid Issues	32
4.5 Delegated Authority	32
4.6 Community Involvement	33
5. Financial Plan	34
6. Programme Implementation	37
6.1 Communication and Publicity Strategy	37
6.2 Equal Opportunity Policy	38
7. Monitoring/Evaluation/Review	41
7.1 Outputs, Outcomes and Impacts	41
7.2 Targets	41

Diagrams

- Diagram 1.1 Shetland Rural Development Strategy for Shetland
Diagram 2.1 LEADER Strategy and Business Plan Diagram

Tables

Table 5.1	Total Costs by Action and Time including Match Funding	34
Table 5.2	Action 3 Expenditure	35
Table 5.3	Indicative LEADER Funding Profile	36
Table 7.2	Outputs/Activities	41
Table 7.3	Outcomes	42
Table 7.4	Results/Impacts	42

Appendices

- 1. LEADER Performance Indicators – Guidance And Definitions For MALT Reporting**

Executive Summary

Background

Shetland has experience of operating various rural community development programmes including LEADER initiatives.

A Local Action Group (LAG) has been set up in Shetland. The make-up of the team reflects a broad range of local interests, from public agencies, the private and voluntary sectors, with at least 50% non-governmental partners and an approximate 50/50 gender balance. The LAG meeting will form the funding element of the Community Regeneration Partnership under the Community Planning Board (CPB). This ensures that representation is as wide-ranging as possible and that LEADER is integrated into the overall policy framework for rural development in the area.

The local council, Shetland Islands Council will act as lead partner for the programme.

The LEADER Business Plan has been prepared to fit with the generic Rural Development Strategy for Shetland to be adopted by the main agencies and the CPB. The vision identified in the Strategy adopted from CPB documents is as follows:

Our vision is to ensure the long term vitality and wellbeing of Shetland; a place where:

Our economy is prosperous, competitive and diverse;

Our society is vibrant, healthy and safe, and one in which everyone is able to take part;

Our outstanding environment is conserved and enhanced; and

Our unique cultural identity and spirit is celebrated and promoted.

Themes and Consultation

Following on from consultation with the LAG and wider community the two themes chosen from the possible five are **Revitalising Communities** and **Progressive Rural Economy**. During this consultation a number of indicative Action 1 and 2 projects were suggested as potential projects. All projects being approved by the LAG will have to demonstrate how they can assist one or more target groups as well as showing how they can assist to meet targets in the business plan. The LAG will be seeking to fund high quality projects of an innovative nature.

In order to focus actions on the areas where they are most needed a number of target groups have been identified. The first two have been selected by the Scottish Government;

- Women
- Young People.

In addition to these two groups the LAG have also decided to target the following groups and areas;

- Micro and small businesses and self employed
- Social Enterprises
- North Isles of Yell, Unst and Fetlar (Initiative at the Edge area)
- Northmavine (Initiative at the Edge area)
- Firth and Mossbank, Staneyhill (local communities with specific problems)
- Small outer isles such as Skerries, Fair Isle, Foula and Papa Stour
- Walls and Sandness.

In addition to LEADER funding the Shetland Islands LAG was successful in bidding for a share of the Convergence funding available to the Highlands and Islands. These funds will be used to consider larger projects such as small-scale capital and infrastructure projects covering all 3 axes of the SRDP. This will ensure complete additionality as without Convergence funding such projects would be unable to receive assistance from the LEADER budget due their size and complexity. The LAG will undertake consultations with the wider community to ensure that the funds are spent in the best possible way.

Programme Management

The LAG is already established and has been heavily involved in the preparation of the funding bid. On commencement of the scheme a training session will be held with the LAG and yearly thereafter. The Shetland Islands LAG will be the body responsible for overseeing the strategic coordination of the programme and formally approve applications on a eight weekly basis. The lead partner will be Shetland Islands Council who will provide financial control and will:

- Receive payment from the Scottish Government
- Keep a separate banking records
- Receive and process claims from applicants
- Pay claims
- Keep records in relation to financial assistance.

As a recommendation from the LEADER+ evaluation the LAG has recognised that sufficient time and resource must be available to allow for “hand holding” time with potential applicants. The LAG has decided there will be no delegated authority and all applications regardless of size will be presented to the LAG at the eight weekly meetings for discussion and approval.

Consultation has already been undertaken with the community and this will continue on an annual basis. This will ensure that where possible LEADER is able to meet the needs of the Shetland community. A communications and publicity strategy has been created to ensure that LEADER is widely publicised. All LAG members will play an important role in this.

Finance Plan

The financial tables show that the LAG will be able to match fund the total LEADER funds of £650,000 and £1.49 million Convergence funds awarded to the Shetland LAG.

Monitoring, Evaluation and Review

Indicative targets, outcomes and impacts have been drawn up for both LEADER and Convergence funding. These are based on the LEADER and Convergence sums awarded to the Shetland LAG. In addition to the traditional quantifiable targets the LAG is keen to record softer targets and outputs on a qualitative basis. The business plan will be reviewed to ensure that the LEADER fund continues to target the areas in most need of the funding. Targets, outcomes and outputs can be readjusted where necessary on the basis of this review.

Section A Partnership Details

1. Local Action Group Name

Shetland Islands LEADER 2007 – 2013 Local Action Group

2. Contact Details

Douglas Irvine
Head of Business Development
Economic Development Unit
Shetland Islands Council
North Ness Business Park
Lerwick
Shetland
ZE1 0LZ

Telephone: 01595 744932

Email: douglas.irvine@shetland.gov.uk

3. Partnership Details

Public Sector Members

Katrina Wiseman (CHAIR) : Head of Transformational Projects and Strengthening Communities, HIE Shetland
Hannah Nelson: Development Plans Manager, Shetland Islands Council
John Uttley: Area Manager, Scottish Natural Heritage
Alan Blain: Deputy Manager, Shetland Amenity Trust
Bill Crook: Community Learning and Development Manager, Shetland Islands Council
Alan Bourhill: Development Manager, North Atlantic Fisheries College
Douglas Irvine: Head of Business Development, Shetland Islands Council
Michael Duncan: Grants Coordinator, Shetland Island Council
David Cormack: Senior Agricultural Officer, SGRIPD
Sally Spence: European Officer, Shetland Islands Council
Tommy Coutts: Research Officer, Shetland Islands Council

Private Sector Members

Jane Brown: Crofter, Croftplan
Kathleen Sinclair: Vice-Chairwoman, National Farmers Union
Sue White: Shetland Crofting, Farming and Wildlife Advisory Group
Ronnie Eunson: Chairman, Shetland Livestock Marketing Group
Ruth Henderson: Chief Executive, Seafood Shetland
Diana Robertson: Consultant, AB Associates Ltd
Pete Glanville: Secretary, Shetland Organic Producers Group
Jennifer Mouat: Executive Officer, Shetland Shellfish Management Organisation

Voluntary Sector Members

Wendy Hand:	Development Officer, Shetland Council of Social Services
Maree Hay:	Development Worker, Northmavine Community Development Company
Kathy Hubbard:	Arts Development Manager, Shetland Arts Development Agency

Katrina Wiseman

As Head of Transformational Projects and Strengthening Communities for HIE Shetland, Katrina will have an interest in the role LEADER can play in developing Shetland businesses and strengthening communities. In addition Katrina was LEADER+ coordinator for the previous scheme from 2003 until the end, and as a result of this she has a deep understanding of the LEADER ethos as well as knowledge of day-to-day issues involved in running a Local Action Group (LAG).

Hannah Nelson

Hannah Nelson is Development Plans Manager at Shetland Islands Council, within the Planning Services of the Infrastructure Department. She has knowledge and experience of the Council's land-use planning policy and acknowledges a need for vibrancy and vitality in creating sustainable communities throughout Shetland. Her knowledge will provide a valuable input to the Local Action Group. In addition, involvement within the group will also provide a good source of insight in keeping in touch with what is happening on the ground and community aspiration, particularly feeding back into the policy review process.

John Uttley

John is Area Manager for Scottish Natural Heritage in Shetland and Orkney. He will bring knowledge and understanding of environmental issues and values and a drive to develop economic and social benefits from Shetland's extraordinary environment. He is also Chair of the Northern Isles RPAC for SRDP Rural Development Contracts - Rural Priorities, a Director of Shetland Shellfish Management Organisation and a member of the Community Planning Board.

Alan Blain

As Deputy Manager with Shetland Amenity Trust, Alan has particular responsibility for conservation initiatives and projects involving the built environment and Shetland's heritage. Alan will be able to provide useful input for indicative projects providing contacts and experience in the areas of culture and heritage. He also has knowledge and experience of transnational co-operation.

Bill Crook

Bill is the Community Work Manager with the SIC. Prior to this he was a Community Learning and Development Worker for the Westside, Central Area and Whalsay and Skerries in Shetland. He will be able to provide the LAG with experience of community issues in remote areas with little economic diversity. In addition he will be able to provide input from a community learning and capacity building perspective.

Alan Bourhill

Alan is Development Manager at NAFC Marine Centre, based in Scalloway. Fisheries and aquaculture play an important role in Shetland's economy. Alan will provide an insight to overall activities in the sector as well as developments and opportunities in research. He can also provide a link to the University of the Highlands and Islands.

Douglas Irvine

Douglas is Head of Business Development at Shetland Islands Council and has a long experience in economic development work going back to 1986. He is familiar with the issues and opportunities faced by small businesses and social enterprises that are engaged in economic development in remoter places.

Jon Dunn

As Agricultural Development Officer for the SIC Jon will be able to provide an input on local government policy issues particularly economic development and agriculture. He also runs a small croft on one of the small islands so has direct experience of the issues facing local crofters.

Michael Duncan

As grants coordinator for the SIC Michael has a wide range of knowledge of other funding initiatives and activities locally and nationally. He is involved with the administration and management of Education and Social Care department grant schemes. In addition he oversees a number of Service Level Agreements between the SIC and community groups. He will prove useful to the LAG particularly in terms of appraising community development projects.

David Cormack

As the Senior Agricultural Officer with SGRPID in Shetland David will be able to provide knowledge on the crofting and agricultural sectors in Shetland. David is involved in the administration of various grants schemes, which are part of the Scottish Rural Development Programme and can provide input to the LAG on how different schemes under SRDP integrate with each other.

Sally Spence

Sally is European Officer for the SIC. She brings a wealth of experience on other European funding schemes affecting Shetland locally. She also works as Secretariat for the CPMR fisheries group and can provide an input on fisheries issues.

Tommy Coutts

Tommy is a Research Officer for the SIC. He is responsible for data collection and surveying work on behalf of the SIC as well as the production of "Shetland in Statistics" which is a useful and informative document providing data on the Shetland economy. He also manages the Rural Shop Improvement Scheme, and as a result has knowledge of issues facing businesses in remote areas. He was a member of the LEADER+ LAG therefore will be able to provide continuity between schemes.

Wendy Hand

Wendy is Development Officer with the local Council for Voluntary Services. Wendy has regular contact with voluntary groups as well as social enterprises. She will be the main link for the social economy sector.

Jane Brown

Jane runs Croftplan, a business which provides advice and assistance to crofters on funding and policy issues. In addition she also runs her own croft. She can provide a link to the Shetland branch of the Scottish Crofting Foundation. Her knowledge of crofting issues at the local level will prove useful to the LAG.

Kathleen Sinclair

Kathleen runs her own croft, along with her family, in the South Mainland of Shetland. She is currently vice president of the Shetland Branch of the National Farmers Union for Scotland and is involved in several other community groups. Her knowledge of crofting and farming issues at local level should prove useful to the LAG.

Sue White

Through her role with the Shetland Crofting, Farming and Wildlife Advisory Group (SCFWAG) she aims to provide farmers and landowners with practical advice on making adjustments to farm operations and enhancing farm features in order to support wildlife, landscape, archaeology, access and other conservation issues locally. Sue also has direct experience of running LEADER projects and transnational cooperation projects.

Ronnie Eunson

Chair of Shetland Livestock Marketing Group. Chair of Shetland Organics CIC. Chair of Shetland Crofting and Farming Wildlife Advisory Group. Member of Advisory Committee on Organic Standards. Crofters Commissioner. Sometime Farmer.

Ruth Henderson

As Chief Executive of Seafood Shetland Ruth will represent the interests of both the shellfish growing and fish processing sector in Shetland. She has experience of working with these micro and small to medium businesses in remote areas as well as the diverse issues that affect them. She can also provide a link to Shetland Aquaculture.

Maree Hay

Maree is a development worker with Northmavine Initiative at the Edge. Through her work with a community in a remote area of Shetland she will be able to provide an insight to not only activities in the North of Shetland but the Initiative at the Edge scheme as a whole.

Diana Robertson

Diana works as a Consultant for AB Associates, an economic and business consultancy firm based in Scalloway. She works with both the private and public sector including community groups. Diana will bring knowledge of a number of

different sectors of the economy as well as project appraisal and business development skills to the group.

Pete Glanville

As Secretary of the Shetland Organic Producers Group (SOPG) Pete can bring knowledge of marketing and developing organic products locally to the LAG. SOPG members include representatives from the agricultural and fisheries sectors. In addition Pete runs his own croft producing organic lamb, vegetables including Shetland oats as well as salad produce. He is also a committee member on the Shetland Food & Drink group.

Jennifer Mouat

Jennifer is the Executive Officer with the Shetland Shellfish Management Organisation and will bring a knowledge of the issues surrounding current inshore fisheries management. Previously Jennifer worked with Scottish Natural Heritage as well as having a background in voluntary work with rural development projects.

Kathy Hubbard

Kathy Hubbard works as Arts Development Manager for Shetland Arts where she manages a team of arts development staff and volunteers. She has also been deeply involved in the development of Mareel, Shetland's new cinema and music venue, since it was first conceived back in 1996. She is passionate about the arts and the contribution that they make to emotional, physical and social well being, as well as their potential for economic regeneration. Prior to working in the arts, Kathy spent twenty years working in the criminal justice system in England and Scotland working as a probation officer/social worker. She is actively involved in the voluntary sector, being a committee member of Shetland Film Club, Shetland Amnesty International, and Family Mediation Shetland; she is also a member of the local Fostering and Adoption Panel.

4. LAG Area

The geographic area will cover the whole of the Shetland Islands that include 15 inhabited islands. The main town is Lerwick with a population of 7,000, although priority will be given to projects outside Lerwick, with the highest priority afforded to development in remote communities.

Shetland has had previous experience of operating rural community development programmes. Under the LEADER+ Programme Shetland operated in conjunction with Orkney as part of the Northern Isles LEADER+ Partnership whilst under LEADER II, Shetland had a separate LAG and budget, co-ordinated through the Local Enterprise Company.

A Local Action Group has been set up in Shetland. The make-up of the team reflects a broad range of local interests, from public agencies, the private and voluntary sectors, with at least 50% non-governmental partners and approximately a 50/50 gender balance. The LAG will sit as a funding element part of the Community Regeneration Partnership under the Community Planning Board. This ensures that representation is as wide ranging as possible and that

LEADER is integrated into the overall policy framework for rural development in the area.

Shetland Islands Council will act as lead partner for the scheme between 2007 – 2013.

The map overleaf shows the area of the island.

Shetland



Source: SIC

5. Population

The current population of Shetland is estimated to be approximately 22,000 based on the 2008 mid-year estimates from the General Register Office for Scotland. Over the past 20 years Shetland's population has fallen slightly, although it has been stable since the 2001 Census. It is an ambition of several local agencies to raise the population level in the coming years, mainly by encouraging inward migration.

The population of Shetland falls slightly below the recommended guidance for a coherent area of 25,000. However the LEADER guidelines recognise island exceptions of which Shetland would clearly be one. Being an island archipelago Shetland has fixed boundaries with no overlap with other areas.

The Shetland Islands are being put forward as a separate LAG due to the clearly defined boundaries and distance from nearest neighbour as well as the distinctive issues and problems and geographic factors that face a remote island community.

Section B: Implementation

1. Introduction

1.1 Context for Business Plan

Shetland has participated in three LEADER programmes, firstly LEADER I and II and more recently LEADER+ as part of a joint Northern Isles Partnership with the Orkney Islands. LEADER has now been mainstreamed and integrated into the Rural Development Regulation (RDR) and the Scottish Rural Development Programme (SRDP). It remains a bottom-up form of engagement driven by rural communities for the wider benefit of communities. LEADER sits alongside two other main delivery mechanisms:

- ⇒ nationally delivered measures such as Less Favoured Areas Support Scheme; and
- ⇒ regionally delivered Rural Development Contracts.

This LEADER Business Plan has been produced to fit within the generic Rural Development Strategy for Shetland (RDSS) to be adopted by the main agencies and the Community Planning Board (CPB), and within EU and national guidelines for the preparation of bid documents issued on 3rd July 2007 by the Scottish Executive. It should be read in conjunction with the Rural Development Strategy for Shetland. It also fits under the Scottish Rural Development Strategy (SRDS) and is complementary to other actions in rural development in Shetland.

It has been prepared to enable the Shetland Islands LAG to bid for a share of the £41 million LEADER budget and Highland and Islands Convergence funding available during the period until 2013. The Plan has been revised to reflect the award of a much smaller share of the LEADER budget than was anticipated when the initial document was prepared.

1.2 Rural Strategy Aims and Objectives

The aims and objectives that are described below have been taken from the Rural Development Strategy for Shetland (RDSS) and are based on the Community Planning Board Strategy documents, adapted and updated in the light of current and likely issues and the SWOT analysis arising out of the consultation process undertaken. These aims and objectives are also tied in with the Scottish Government's Economic Strategy as described in paragraph 1.2.2.

1.2.1 Strategic Aims

The Aims for Shetland as described by the Community Planning Board¹ are:-

Economic

- To maintain and improve the prosperity of Shetland, by making sure businesses, communities and individuals reach their full economic potential.

Social

- To make sure all individuals, groups and communities have equal access to and the opportunity to live in a healthy, safe, active and vibrant society.

Environmental

- To ensure that Shetland's environment remains of high quality, with its distinctive landscapes, habitats and species conserved and enhanced, and the community's environmental footprint reduced.

Cultural

- To make sure Shetland keeps its distinctive character and works for excellence in everything it does.

1.2.2 Scottish Government's Economic Strategy

Published in 2007, the Scottish Government's Economic Strategy has a main purpose to:-

“focus the Government and public services on creating a more successful country, with opportunities of all of Scotland to flourish, through increasing sustainable economic growth.”

The five Strategic Objectives are:-

Wealthier and Fairer – Enable businesses and people to increase their wealth and ensure more people share fairly in that wealth.

Smarter – Expand opportunities for Scots to succeed through life-long learning ensuring higher and more widely shared achievements.

¹ Community Planning Board – Together Shetland & The Shetland Resolution, 2006

Healthier – Help people to sustain and improve their health, especially in disadvantaged communities, ensuring better, local and faster access to healthcare.

Safer and Stronger – Help local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.

Greener – Improve Scotland's natural and built environment and the sustainable use and enjoyment of it.

1.2.3 Strategic Objectives

Economic Strategic Objectives – To promote Sustainable Economic Development by:

1. Targeted marketing of Shetland, its environment, culture and products.
2. Making sure everyone is able to develop their skills in Shetland, which match jobs and opportunities.
3. Making sure there is sufficient labour to meet the needs of businesses and the economy as a whole.
4. Making sure all people and businesses in Shetland have access to the necessary infrastructure and services and are able to afford, in particular, efficient transport and telecommunication links.
5. Keeping and creating sustainable jobs and increasing the diversity of employment opportunities.
6. Developing the economy of rural areas, so that rural communities remain and/or become places where people can live and work with good employment prospects.

Social Strategic Objective – To provide appropriate support to People and Communities by:

7. Making the health of the Shetland population better, especially for those with poorer than average health.
8. Making sure that everyone in Shetland, no matter what his or her needs, is treated in a fair way.
9. Making sure everyone is able to take part in all activity, if they choose.
10. Encouraging people to take part in their communities and groups.
11. Enabling people to make the most of themselves and their talents.
12. Making sure everyone is safe and is able to feel safe.
13. Encouraging and supporting Children and Young People to enjoy being young and to lead full, safe, healthy, active and responsible lives in their communities.
14. Supporting sustainable and affordable transport links for remoter communities.

Environmental Strategic Objective – To Look After Where We Live by:

15. Protecting and enhancing Shetland's unique and distinctive landscape, especially its archaeology, buildings and natural and marine environment and heritage.
16. Protecting these unique resources by making sure they are used carefully, that the negative impact of activity is minimised and the efficient use of energy is ensured.
17. Ensuring people and businesses make as little waste as possible. Any waste should be reused, recycled or recovered before careful final disposal.
18. Protecting and enhance the numbers and diversity of plants and animals.
19. Protecting the provision of clean water and maintaining carbon sources to reduce emissions.

Cultural Strategic Objective– To maintain and enhance Shetland's Identity and Character by:

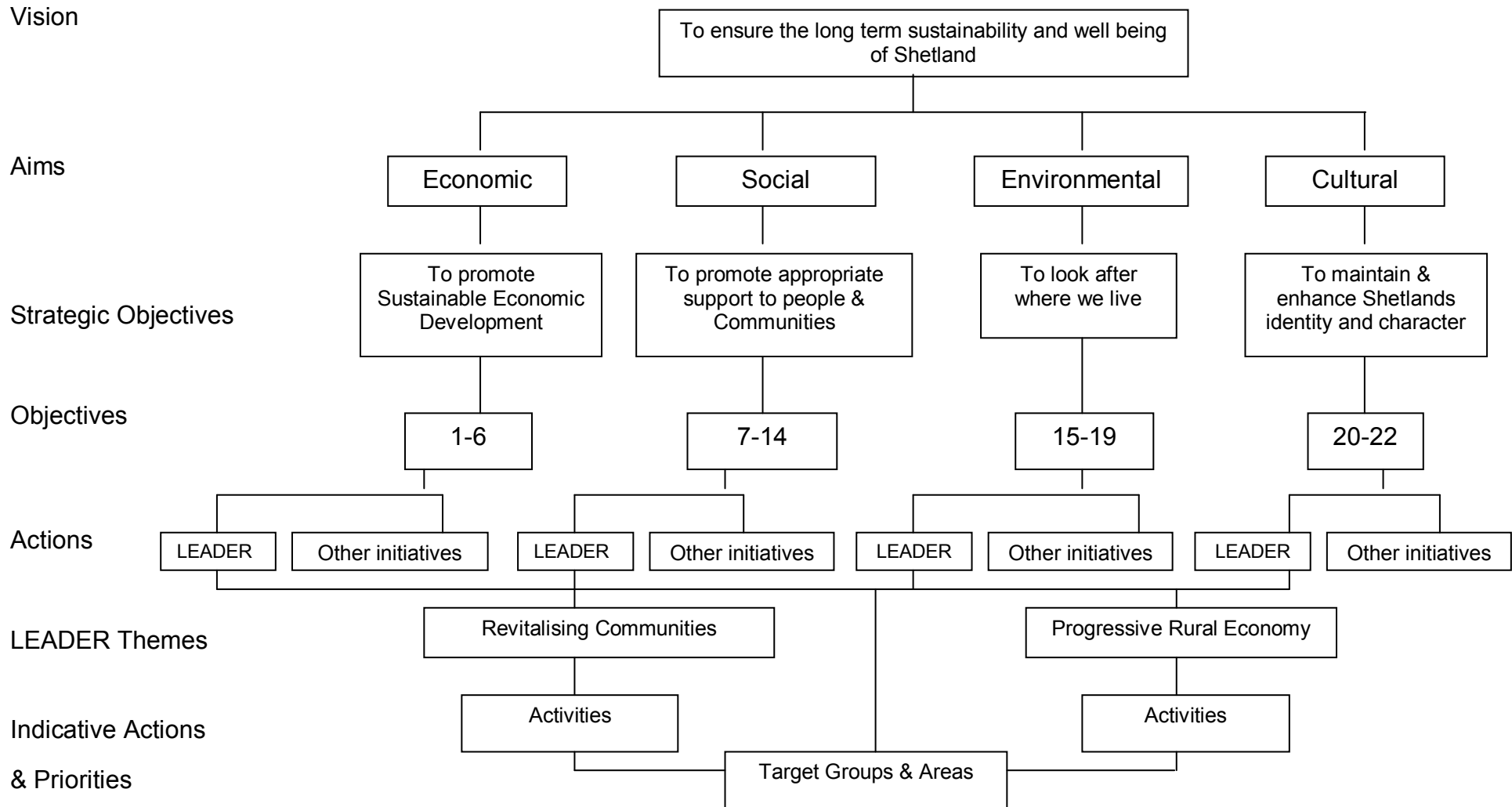
20. Promoting, celebrating, contributing and supporting its diverse cultural traditions, heritage, creativity and activity.
21. Providing locally appropriate solutions to address national priorities.
22. Setting excellent standards for services, lifestyle, outlook, products and people.

Organisations engaged in the delivery of the Shetland Rural Development Strategy include:

Shetland Islands Council
Highlands and Islands Enterprise
Community Regeneration Partnership
Shetland Council of Social Service
Scottish Natural Heritage
Shetland Arts

Shetland Amenity Trust
Scottish Government
Seafood Shetland
National Farmers' Union
NAFC Marine Centre
SCFWAG (to be replaced)

Diagram 1.1: Shetland Rural Development Strategy for Shetland



1.3 Key Principles

The key principles in the Community Planning Board documents have been adapted for the Rural Development Strategy along with other appropriate principles including those in the LEADER guidelines:-

- Work together – integration and partnership – a large number of bodies are working together as can be seen from diagram 1.1 in the Strategy.
- Talk and listen to communities – consultation – all key sectors in the community are engaged in planning, management and delivery of the strategy. The consultation process for LEADER 2007-2013 is described in more detail in the strategy.
- Make sure actions provide value for money – outputs proportionate with inputs.
- Equal opportunities - all processes and products will have to respect equal opportunities principles in all aspects. Women and young persons have been highlighted as target groups.
- Sustainability – the strategy will make a positive contribution to sustainable development of the islands in environmental, economic and socio-cultural terms.
- Innovation – the strategy will be innovative both in relation to the organisation and management as well as the projects to be supported. Successful innovative initiatives from other areas will be embraced where appropriate.
- Long-term impact – the projects to be supported will need to show potential long-term impact and a lasting legacy.
- Cooperation and collaboration – this will be done at transregional and transnational levels as well as at local level.

1.4 LEADER Themes

Consultation was undertaken with the Shetland LAG and the wider community. As a result of this the Shetland LAG has chosen to focus on 2 themes out of the 5 identified for the Scottish LEADER programme. The five themes are:-

- Revitalising communities
- Rural community capacity
- New markets and products
- Progressive rural economy
- Conservation of the rural environment.

The two themes chosen, because they link best with the strategic objectives, are:

Revitalising Communities

According to the guidelines eligible projects are those involving rural transport initiatives, providing new or developing community facilities, including energy and recycling, with particular emphasis on young people and other target groups; introducing or developing childcare provision; remote access IT provision; to training courses/materials. In addition, improving access to areas of high environmental amenity, innovative approaches to local rural services e.g. community shops or services, or adding value to Post Office or enhancing the range of services locally – co-ordinating service provision as well as integrating delivery could be eligible under this theme.

Progressive Rural Economy

According to the guidelines eligible projects could include:

- Linking businesses to supply chain through IT, provide new technology for small scale processing and packaging close to local produce, (thus adding value to local areas),
- Focusing on youth and young entrepreneurs,
- Creating links with research institutions to develop specialist products in a particular area (thus adding value). Home working projects could also be supported,
- On-farm agricultural and diversification projects such as alternative crops, new processes or production, marketing, developing clean technology, more efficient technology, renewable energy, products from farm waste and particularly projects to complement the Rural Development Contracts measures,
- Wider off-farm non-agricultural or forestry diversification, particularly rural micro enterprises aimed at employing women and young people e.g. craft workshops/outlets. They will encourage cooperation to create critical mass that provides economy of scale in production and marketing, e.g. small scale timber processing. All types of tourist activities, whether for accommodation, trails, interpretation signs/leaflets, marketing and community economic projects would be eligible under this theme.

The themes serve to give a broad indication on the type of projects that could be supported. They are by no means exclusive and could support a wide range of projects.

These themes also relate closely to the 4 axes from the Rural Development Regulation².

	Axis 1	Axis 2	Axis 3	Axis 4
EU	Competitiveness	Environment	Quality of life	Governance and capacity building
National	RDP	RDP	RDP	RDP
LEADER theme	Progressive rural economy	Cross cutting	Revitalising communities	Revitalising Communities
			Progressive rural economy	

² EU Rural Development Regulation

1.5 LEADER Principles

1.5.1 Target Groups and Areas

The RDSS and LEADER Business Plan identifies target groups and areas so that actions can be focused where they are most needed. The target groups are those in society that have particular issues that need to be addressed with positive action. These include:-

- **Women** - access to employment, flexible working arrangements, childcare. This is vital throughout the rural areas but is more difficult in the remoter locations. Access to childcare can be particularly difficult outside Lerwick. There is a lack of childminders throughout Shetland and gaps in provision particularly for the 0-3 age group. Alongside transport, childcare is recognised as a significant barrier to employment and training opportunities for women/full-time carers located in rural areas.
- **Young People** - need to retain young people and encourage them to return. Young people often leave Shetland to pursue further or higher education and few return. Also within Shetland there is a trend towards young people moving to work in Lerwick and leaving an increasingly elderly population in the remoter communities.

The Scottish Government have selected women and young people as two target groups all LAG's should consider. As a result of local consultation and research it was also decided to include the following groups;

- **Micro and small businesses and self employed** – Shetland has a higher than average percentage of micro businesses i.e. firms which employ less than 10 people. Shetland also has a high proportion of self-employment – approximately 15% of the workforce.
- **Social Enterprises** – Shetland has a growing number of social enterprises. It was estimated recently that there were 6,600 people participating in 600 social economy organisations in Shetland. While there are currently a number of models of excellence and award-winning groups locally, however as it is an emerging sector there is a lot of capacity to build. These groups often employ numbers of young people and women, and it is hoped that projects put forward from this target group will have the added benefit of assisting these groups as well.

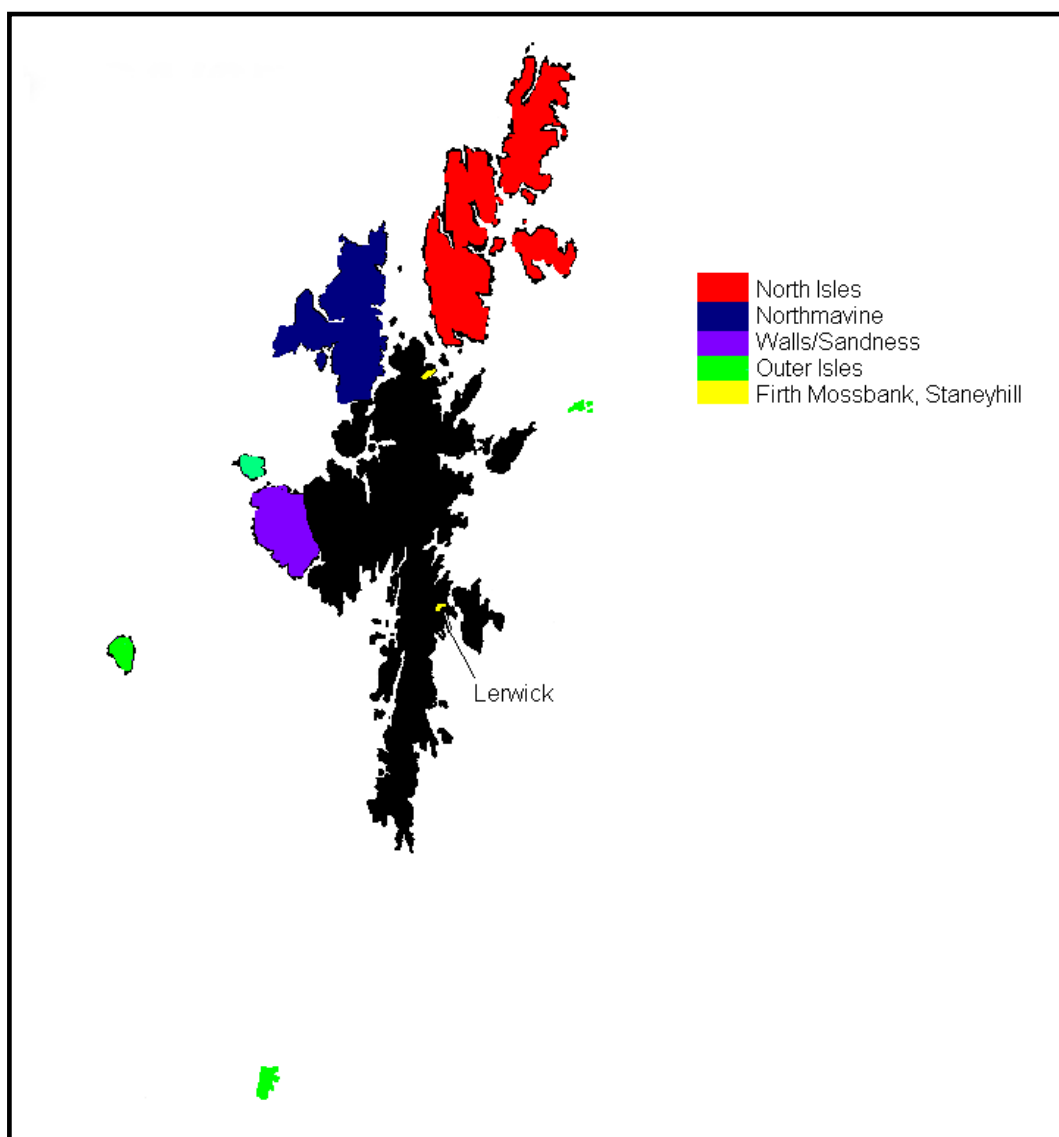
Although Shetland as a whole has a high standard of living, evidence suggests that certain individuals in certain areas are living in poverty and unable to access the opportunities Shetland has to offer. A study entitled "Deprivation and Social Exclusion in Shetland", undertaken by Shetland Islands Council, showed that a number of locations have

been identified as more fragile and vulnerable than others and thus need to be made a special priority for actions. These include the Initiative at the Edge areas and a number of others:-

- North Isles of Yell, Unst and Fetlar (Initiative at the Edge area),
- Northmavine (Initiative at the Edge area),
- Firth and Mossbank, Staneyhill (local communities with specific problems),
- Small outer isles such as Skerries, Fair Isle, Foula and Papa Stour
- Walls, Sandness.

The LAG has therefore decided to classify these communities as target areas and actively encourage and promote LEADER activity in these communities.

The map below highlights these areas:



1.5.2 Innovation

An important part of the LEADER principle is innovation. All projects approved will have to demonstrate how they can show innovation, for example:

- Is this activity additional to existing provision?
- Is the method of delivery innovative?
- Does the activity continue provision that would otherwise have been cut back or reduced?
- Does the project deliver new ways of working?
- Is the project imaginative?
- Is the project doing things in a new or imaginative way?
- Does the project involve a new product, process or practice?

When considering projects the LAG will consider its fit with innovation and the answers to the above questions.

Innovative actions have already been taken under previous LEADER programmes and through other initiatives such as Initiative at the Edge. This programme will aim to build on these and continue to introduce novel ideas and best practice from other areas to address the problems and manage change.

During the spring and summer of 2007 a consultation exercise was undertaken on behalf of the LAG. The aim of this was to raise awareness of the new programme and to seek ideas on what the priorities of the new programme locally should be.

The two themes chosen, “Revitalising Communities” and “Progressive Rural Economy” will offer plenty of scope to be innovative throughout the programme.

1.5.3 Complementarity and Integration

The actions proposed under the LEADER Business Plan have to fit within the overall RDSS and will therefore be closely tied in with the other funding initiatives within the RDSS. This will ensure that they are not only complementary but also in combination generate synergy and added value.

European Fisheries Fund initiatives, Structural Fund projects and other national and local initiatives such as Interreg will also have to fit within the RDSS thus ensuring a joined up approach, good integration, and value for money.

The RDSS is an integrated document aimed at setting priorities for the whole of Shetland. This is the first time such a strategy has been created in Shetland.

2. Programme of Activities and Action

LEADER in Scotland 2007-2013 is divided into 5 actions:-

- Action 1 - Local development strategies (LEADER Local Projects)
- Action 2 – LEADER Co-operation Projects,
- Action 3 – LAG Administration Costs,
- Action 4 – Convergence Local Projects
- Action 6 – LAG Administration Costs - Convergence

2.1 Action 1 – LEADER Local Projects

This action has to account for at least 65% of the total LEADER funds and include the main areas of action under the themes chosen. That gives a budget of around £422,500 for the programme.

Diagram 2.1 on page 22 shows the links between the RDSS strategic objectives, the themes, and indicative measures to be undertaken to help achieve the objectives. A sample of indicative measures that arose during the consultation and preparation of the business plan for each of the themes are listed below in addition to suggestions received during the preparation of the business plan. It should be noted that these are broad project ideas, and LEADER funding may be eligible only for some parts of the project.

Projects shall only approved if they can demonstrate how they will assist one or more of the target groups or areas chosen by the LAG.

Revitalising Communities

- Innovative approaches to retention of services – community shop, integrated delivery, rural post offices, craft shops.
- Childcare provision particularly in rural areas where current provision is limited.
- Projects which investigate and/or implement further demand responsive transport in rural areas of Shetland.
- Remote access IT – training courses, broadband take-up in remote areas, development of ICT hot desks throughout Shetland for public sector workers.
- Access to areas of high amenity.
- Geopark development.
- Recycling and waste reduction in rural areas.
- Interpretation within visitor centres, heritage centres, museums.

- Development of remote access employability training for women, young people and migrant workers. This could include training on traditional skills such as traditional food, crafts, knitwear and fish filleting.
- Agriculture training aimed at young people in rural areas.
- Facilities for young people.
- Research opportunities in the seafood sector.

Progressive Rural Economy

- Small business development.
- Agriculture related diversification: on- and off-farm added value, new products, Shetland wool, organic products, marketing, improved access to IT, clean technology, products from waste, processing and marketing.
- High-value nature farming, pilot projects to develop new approaches to conservation of natural and cultural heritage which rewards farmers/crofters for positive actions rather than compensating for loss of income.
- Researching and developing markets for produce from native breeds such as Shetland Kye or native crops such as bere.
- Pilot projects investigating value added proposals for whitefish, salmon and shellfish.
- Developing local integrated coastal management strategies.
- Rural diversification on and off farm – crafts, creative industries, tourism, homeworking, micro businesses.
- Development of traditional skills e.g. developing work experience skills
- Integration of migrant workers – study and projects.
- R&D, feasibility studies on relevant topics.
- Support for projects which enhance Shetlands biodiversity.
- The development of visitor trails, including the promotion and marketing of these trails and further development of a ranger service.

Within each of the themes priority will be given to projects that target the priority groups and areas identified in 1.5.1.

2.2 Action 2 – LEADER Co-operation Projects

Up to 15% can be allocated to cooperation between rural areas in Scotland and throughout the UK on the one hand, and with other parts of the EU on the other. Development of joint projects is possible as well as exchange of experience and best practice. Under the previous LEADER+ programme Shetland worked jointly with Orkney as part of the Northern Isles Partnership. A number of joint projects were undertaken. Good communication and networking links exist between the two islands so it is likely that several joint projects will be created for the LEADER 2007-2013 programme. A budget for the LEADER 2007-2013 programme is circa £97,500.

A total of 10 transnational projects were funded under the Northern Isles LEADER+ Programme, all of these projects originated from Shetland. As a result links have been established with:-

- ⇒ Western Isles
- ⇒ Sweden
- ⇒ Norway
- ⇒ The Czech Republic

Due to the amount of time and effort that is involved in building up contacts and networking with other European areas these contacts will be built on and approached for further possible action 2 projects under the 2007-2013 fund. New contacts will also be sought in other areas. The type of projects that could be funded in Shetland from the action 2 budget include:

- ⇒ Interpretive projects e.g. culture, language, dialect, traditional skills.
- ⇒ Heritage projects e.g. synergy with Interreg schemes.
- ⇒ Organic agricultural products.
- ⇒ Traditional products e.g. indigenous craft products.
- ⇒ Farming for nature.
- ⇒ Networking with farmers/crofters in other islands and peripheral areas to share best practice and ideas on sustainability of agriculture in remote areas.
- ⇒ Cultural festivals promoting richness and diversity of islands.
- ⇒ Promotion of local food products from the islands.
- ⇒ Promotion of tourism in the islands.

- ⇒ Foster links to and raise awareness of LEADER and other transnational schemes e.g. Interreg schemes.
- ⇒ Developing youth entrepreneurship in the North Isles by fostering their international links with parts of Sogn og Fjordane (Norway) and the sharing of best practice.
- ⇒ The sharing of best practice and experience between Shetland and Bornholm (Denmark) in the development of tourist activities in rural areas.
- ⇒ The sharing of best practice and experience in developing the creative industries in rural areas of Shetland (such as the North Isles) and Bornholm.
- ⇒ The sharing of best practice and skills between Shetland and Northern Italy in the food and drink sector (supporting the development of learning journeys and networking).
- ⇒ The sharing of best practice between Shetland and Norway (or Sweden which is in the EU) in relation to recycling and waste reduction.

2.3 Action 3 – LAG Administration Costs

Up to 20% of the budget can be spent on administration and operational expenditure, monitoring and evaluation costs. This amounts to approximately £130,000 for the LEADER 2007-2013 programme.

It was proposed to appoint 2 people full time (a programme coordinator and admin/finance assistant). However, as the programme develops it will become clearer if personnel will be recruited to be responsible for promoting the programme, managing the application process and monitoring and evaluation. The programme is currently being run by the Shetland Islands Council's Economic Development Unit, using existing staffing.

Costings for this element are shown in section 5. Staff will ensure that where services and products are being procured the best value option is always chosen. They will show that cost comparisons for different services e.g. telecommunications have been undertaken. This demonstrates that value for money will be gained from the Action 3 LEADER costs awarded as well as match funding used.

In addition staff will undertake systematic inspections and follow up on all projects 6 months after expenditure for the project completed, and again after 12 months. Data will be gathered at the same time on outputs/outcomes/impacts using both project specific and programme indicators. External independent evaluators will be employed to do a mid-term and ex-post evaluation.

Action 4 – Convergence Local Projects

As part of the Highlands and Islands, the Shetland Islands LAG was awarded £1.49m as a share of the £19 million convergence funds. These funds will be used at the same time as the LAG's share of the £41 million but will be used to consider larger projects such as small-scale capital projects and infrastructure developments. The funds will be used to target the same groups and areas and will be delivered in the same manner as Action 1 and 2 funding using the same application forms. Claims, monitoring and reporting will be done separately.

At least 80% of Convergence Funds will be used to fund projects that would have otherwise been excluded from Actions 1 and 2 due to their size and complexity. This will therefore ensure complete additionality. The LAG will also continue to seek innovative ways of committing funding under Action 4. The LAG will network with the public agencies to enable joint projects to be undertaken which may ensure a lasting legacy is left from the Convergence funding element.

As the availability of convergence funding was announced after the LAG had consulted with the community, sufficient time has only been available to consult with the LAG regarding indicative projects for the extra funds. Once LEADER funding has been awarded and the criteria for allocation of convergence funding is clarified, further consultation can be undertaken by the LAG coordinator to ensure that the funds are spent in the best possible way.

The LAG will ensure that the funds are allocated to projects covering activities under all 3 axis of the SRDP.

Examples of Action 4 projects arising from LAG consultation are as follows;

- ⇒ Capacity building and Awareness raising campaign of LEADER and other rural development and agriculture related funds and how they can help benefit eligible applicants and target groups. For example, one to one meetings could be held at convenient times and places, at “8 o’clocks” or “about da night”.
- ⇒ Innovative marketing initiatives eg; mobile food exhibition and demonstration unit.
- ⇒ Development of a Mini Spinning Mill for Organic Native Shetland Wool.
- ⇒ Small-scale purpose built food processing units.
- ⇒ Creative Industries Centre located in North Isles.
- ⇒ Craft Centre.
- ⇒ Development and protection of intellectual assets.

- ⇒ Training for agriculture related projects.
- ⇒ Energy efficiency measures.
- ⇒ Community renewable projects.
- ⇒ Provision, development of upgrading of small scale tourist facilities.
- ⇒ “Slow food” marketing of Shetland’s natural produce.
- ⇒ Joint projects with other LAG’s in the Highlands and Islands.

[NOTE – Action 5 (previously networking) no longer exists due to it being subsumed into Action 3 and Action 6.]

Action 6 – LAG Administration Costs – Convergence

Up to 20% of the Convergence budget can be spent on administration and operational expenditure, monitoring and evaluation costs, approximately £298,000 for the LEADER 2007-2013 programme.

3. Project Selection Criteria

Projects will have to meet a range of requirements to be eligible for funding from the LAG. The programme guidelines suggest that project selection criteria needs to be based around the following factors:-

- Strategic integration - direct links to local, national and European priorities.
- Complementarity with Rural Development Strategy and Business Plan.
- Evidence of need – addresses particular needs and builds on baseline.
- Additionality – extent to which project would proceed without LEADER support and availability of other more appropriate funds.
- Leverage – amount of match funding from other sources.
- Value for money – measure of efficient use of resources.
- Project management – assessment of ability to deliver project based on ability to deliver outcomes.
- Innovation – assessment of how the process circumvents barriers to development.
- Equal opportunities – full equal participation of individuals and social groups by means of relevant policies.
- Community involvement – degree of participation, involvement and support and extent to which project will benefit rural community (evidence will be required to substantiate).
- Sustainability – evidence of continuing benefit.

- Environmental impact – extent to which the project enhances or protects the environment.
- Transferability – ease of transferring ideas and lessons learnt to other projects, e.g. the Rural Network, SRDP, and Rural Development Contracts.
- Projects need to demonstrate wider community benefit.
- Projects will have to consider displacement.

In addition account has to be taken of restrictions on funding such as:-

- Projects with grant eligible costs of less than £1,000 will not be funded.
- Existing core staff costs will not be eligible, must be project specific.
- The following expenditure is not eligible for grant funding: consumables, running costs including telephone charges, rent or lease payments, operating costs, interest charges, leasing payments, etc.
- No funding will be granted for activities which are statutory obligations of regional corporate bodies (SEPA, SNH, etc).
- Expenditure incurred before approval not eligible.
- Prize money is not eligible for funding.
- Professional fees for architectural, landscape design and engineering services can only be funded up to a maximum level of 10% of the total building costs. Up to an additional 5% may be granted for projects with a particularly intensive planning element, e.g. work on protected buildings or technically complex projects.
- Within the context of collaboration, the costs of land and buildings which are to be used as part of a trans-regional or trans-national joint venture can only be funded with Scottish LEADER resources if they are situated within Scotland. Scottish budgetary funds can be used for the co-financing of trans-regional or trans-national projects situated outside Scotland, provided the Scottish Government can determine their use.
- Promotion and marketing projects need to show they cannot be funded under Rural Development Contracts or Promotional and Marketing Grants.

A range of different types of applicants will be eligible to receive LEADER funds under the programme such as:

- Properly constituted organisations and social enterprises
- Private individuals where sponsored by public bodies, clubs and societies
- Business partnerships and capital companies
- Public agencies
- Collaborations between groups and individuals listed above in an appropriately legally constituted form.

In addition to these rules, projects will also have to show that they are innovative, achievable within the time frame and able to meet the targets specified on the application form.

The average LEADER grant available will be 50%, although in some cases it may be lower. Grants for trans-regional and trans-national projects will be up to 70%.

All projects will have to demonstrate that they have match funding available. This money is likely to come from the following sources:

- ⇒ Own sources
- ⇒ In-kind contribution providing that the following conditions listed below are met:
 - the contributions consist of the provision of land or buildings, equipment or raw materials, research or professional work or unpaid voluntary work
 - the contributions are not made in respect of financial engineering in relation to venture capital funds, guarantee funds or loan funds
 - the value of the contributions can be independently assessed and verified.
- ⇒ Local Economic Development Agencies such as Shetland Islands Council and HIE Shetland
- ⇒ Local Trusts including Shetland Development Trust, Shetland Amenity Trust and Shetland Arts Trust
- ⇒ Private local businesses
- ⇒ External funds such as the Lottery and other Trusts.

The evaluation of the previous LEADER+ scheme showed that more match funding was committed than budgeted for. This demonstrates commitment from match funders and evidence of value for money for Shetland projects whilst at the same time ensuring additionality.

4. Programme Management

4.1 LAG Members and Structure

LAG membership reflects a broad range of local interests from the public agencies, private and voluntary sectors with 50% non governmental partners and 50/50 gender balance as well as representation from youth groups. A list of members and details of the partnership area is contained in section 1. A number of the members were involved in the previous LEADER+ programme and will be able to provide valuable continuity between scheme. New members will bring a fresh dynamic approach to the group. Members interests are wide and varied reflecting the diversity of the islands. Such broad membership will act as a catalyst for promoting the activities of the group and raising the awareness of the LEADER programme in general.

On commencement of the scheme a training session will be held with the LAG. This will inform them of their role and responsibilities. They will be issued with an induction pack including:

- ⇒ a Shetland Isles LAG member job description copies of the application form when available from the Scottish Government
- ⇒ The day-to-day LEADER 2007-2013 guidance handbook (when available from the Scottish Government)
- ⇒ Finalised (updated) copies of the approved strategy and business plan.

It is inevitable that people will move out of the group and be replaced by others. When this happens the coordinator will issue the new members with the induction pack mentioned above and hold an initial one to one training session with the new member.

A yearly training session will be held with the coordinator, administrator and all LAG members. It will be a chance to review progress to date regarding business plan targets and training can be offered in any areas deemed appropriate. This session will tie in with the updating of the business plan. The event should have a wide ranging focus and will have an element of the agenda devoted to showcasing completed LEADER projects funded by the group. Previous applicants may be invited along to discuss their projects and give opinions on how they feel the application and claims worked in reality for them and give suggestions on how any areas could be improved.

4.2 Administration

The Shetland Islands LAG will be the body responsible for monitoring and overseeing the strategic coordination of the programme and will formally approve applications to the programme. The lead partner will be Shetland Islands Council who will provide financial control and:-

- Receive payment from the Scottish Government
- Keep a separate bank account
- Receive and process claims from applicants
- Pay claims
- Keep records in relation to financial assistance.

The role of the LEADER Coordinator will be appointed from existing staff resources at the Shetland Islands Council but this will be reviewed on a continual basis by the LAG. If required full-time appointments will be made to ensure applicants are adhering to the N+2 rule which states funds must be spent within 2 years of approval.

4.3 Delivery Mechanisms and Application Processes

Once a potential applicant has an idea for a project they can approach the coordinator or a LAG member. After an initial discussion to gauge eligibility of the project the applicant will be issued with a potential projects form. This form is presented to the LAG meeting and is used by the LAG to determine whether or not the project idea fits with the aims and objectives of the LEADER programme. If the project does not meet this criteria, the applicant will be informed and may be advised of other potential sources of funding. Alternatively, the LEADER coordinator may assist the applicant in developing the project to better fit LEADER criteria. If the project is considered to be eligible for LEADER funding, the applicant will be issued with an application pack and invited to submit a full project application.

Project applications will be submitted on a standard form and application packs, including Guidance Notes, will be available in electronic and hard copy. The packs will include information on equal opportunities and sustainability. A monitoring form will also be issued with each pack to be completed with the form. Generic forms will be made available from the Scottish Government, this will ensure continuity of information being collected as all LAGs will be using the same forms.

Project applications will be appraised initially by the coordinator to double check eligibility and accuracy. Discussions will be held with the applicant before the full application is submitted to the LAG. It has to be noted at this point that evaluation of the previous programme has shown that it often takes a great deal of time and effort to work up applications to this point. Many applicants are unfamiliar with the process of quantifying targets and outcomes. In addition as all projects require match funding to be in place before LEADER funding can be approved applicants will also have to be filling in application forms for other funding streams at the same time. The coordinator needs to have sufficient time and resources available to allow for this initial “hand holding” phase with applicants.

The coordinator will provide the LAG with a case list with summaries of all eligible applications complete and underway, some may just be at the early stages of completing the application but the LAG will be informed of the potential project and told to expect it at the next funding round. Once the LAG has considered them, referring to the project selection criteria mentioned in section 3, and made a decision, the coordinator will prepare letters of approval or rejection. A standard letter of offer, with conditions, will be signed by a nominated person from the lead partner agency. Should the LAG decide to approve the project subject to certain additional conditions - e.g. copies of a feasibility study are made available to all members of the LAG on completion - these conditions will be clearly stated in the offer letter. It will be a condition of all grants awarded that LEADER funding is acknowledged whenever possible and a copy of the EU and LEADER logo is shown when suitable. This could be on any printed material, reports etc. If, for example, LEADER funding contributes to any equipment or part of a

building a small sign should be placed in the vicinity bearing the EU and LEADER logo.

On receiving the letter stating successful approval of funds the coordinator and applicant will maintain contact to ensure that the project is proceeding accordingly and any problems are flagged up as soon as they arise. Successful applicants will be issued with a claim pack to assist them in claiming their approved LEADER funding from the lead partner. The coordinator should check that the applicant understands the requirements being asked of them. Contact details for the finance/admin assistant will be given at this point as they will be responsible for ensuring the smooth processing and payment of claims.

4.4 State Aid Issues

The coordinator will ensure that all State Aid regulations are followed and strictly adhered to. The Shetland Islands Council follows European and national guidance closely. This guidance should be available to the coordinator by the lead partner.

It is expected that the Managing Authority will issue guidelines on State Aid Rules to support those involved in the assessment and selection of applications for funding.

The coordinator will need to familiarise themselves with this guidance and be in a position to explain it in plain English terms to potential applicants. It will also be necessary to record aid and submit the results to the Managing Authority.

Axes 1 and 2 of the RDR will be covered by *de minimis* and the Block Exemption Rules under the relevant Agricultural and Industrial State Aid regulations. Axes 3 measures will have to comply with the same rules plus those for training activities.

Annex 3 of the SRDP contains a detailed breakdown of State Aid provisions for all the measures within the 2007–2013 SRDP and this will be used to provide guidance on individual projects.

4.5 Delegated Authority

The LAG has decided there will be no delegated authority. All projects considered for LEADER funding will be brought before the LAG meetings for approval. This will enable the LAG to keep track on which projects and applicants are receiving funding and which targets, outcomes and aims projects are contributing towards. It will also ensure an open and transparent decision making process.

4.6 Community Involvement

The LAG will hold an annual workshop to consult with the wider community. Members from agencies, community groups, successful and potential applicants will be invited. They will be asked for their views on the scheme and how it is delivering for the community. They will have a chance to put their views on any issues such as complexity of application forms, eligible projects, match funding, and the claims process. This will ensure that where possible the programme is able to meet the needs of the community. Actions may follow on from the workshop which can feed into future updates of the business plan.

5. Finance Plan

The table below shows the total funding approved, per Action, for the Shetland LEADER Programme 2007-2013.

Table 5.1 Total Costs by Action and Time including Scottish Government Match Funding

Indicative Cost profile	2008 £000s	2009 £000s	2010 £000s	2011 £000s	2012 £000s	2013 £000s	Total £000s
Action 1 (65%) Local Project Costs	4,225	65,488	92,950	92,950	92,950	73,938	422,500
Action 2 (15%) Co-operation Project Costs	0	9,750	19,500	34,125	19,500	14,625	97,500
Action 3 (20%) Administration	6,500	24,700	24,700	24,700	24,700	24,700	130,000
Total (100%) LEADER Funds	10,725	99,938	137,150	151,775	137,150	113,263	650,000
Action 4 (80%) Convergence – Local Project Costs	6,705	214,560	295,020	295,020	295,020	234,675	1,341,000
Action 6 (20%) Convergence – Administration	0	29,800	29,800	29,800	29,800	29,800	149,000
Total (100%) Convergence Funds	6,705	244,360	324,820	324,820	324,820	264,475	1,490,000
Total LEADER Budget	17,340	344,298	461,970	476,595	461,970	377,738	2,140,000

The administration costs that follow in table 5.2 are as per the funding award detailed in table 5.1.

Table 5.2 Administration Expenditure

Costs	Year 1	Year 2	Year3	Year4	Year5	Year6	Total
	£s	£s	£s	£s	£s	£s	£s
	2008	2009	2010	2011	2012	2013	
Action 3 LEADER Administration Costs	6,500	24,700	24,700	24,700	24,700	24,700	130,000
Action 6 Convergence Administration Costs	0	29,800	29,800	29,800	29,800	29,800	149,000
Total including costs for evaluations:	6,500	54,500	54,500	54,500	54,500	54,500	234,000
Midterm evaluation				10,000			10,000
Final evaluation						10,000	10,000

Details of the match funding requirement for applicant to access LEADER and Convergence funding are highlighted below and summarised in table 5.3:

Action 1 - Local Projects from LEADER – applicants maybe eligible for a maximum LEADER grant of 50% of the total project costs. A minimum of 5% of the project costs are required to be contributed by the applicant. The remaining funding requirement can either come from private and/or public sources.

Action 2 - Co-operation Projects from LEADER - there is a requirement for a minimum 5% contribution from the applicant with a maximum of 70% of eligible project costs from LEADER. The remaining funding requirement can either come from private and/or public sources.

Action 4 - Local Projects from Convergence - as with the LEADER funds there is a requirement for a minimum 5% contribution from the applicant. There may also be other private funding contributed to the project. The LEADER grant will be limited to 35% of the total public funding required. Therefore to calculate the grant available and the required public funding match you need to deducted the private funding from the eligible project

costs and limit the LEADER grant to 35% of this total. The remaining 65% must come from another UK public funding source.

Table 5.3 Match Funding Requirements and Intervention Rates as per LEADER Guidance

<u>Action 1 – LEADER Local Projects</u>	
Private – minimum	5%
LEADER – maximum	50%
Private/Public	45%
<u>Action 2 – LEADER Cooperation Projects</u>	
Private – minimum	5%
LEADER – maximum	70%
Private/Public	25%
<u>Acton 4 – Convergence Local Projects</u>	
Convergence – maximum	35%
Public Match Funding – minimum	65%

The minimum public match funding for the total Shetland LEADER Programme 2007-2013 budget of £2,140,000 (£650,000 LEADER plus £1,490,000) is £2,905,500. It is anticipated that this public match funding will come from sources such as Shetland Islands Council, The Lottery, HIE Shetland, etc.

6. Programme Implementation

6.1 Communications and Publicity Strategy

Publicity is of paramount importance to the LEADER programme. Due to the programme becoming mainstreamed as part of the SRDP the funds are now available to a wider range of applicants than before. During the consultation exercise for the new programme it became apparent that many people, groups etc were unaware of the previous LEADER+ programme or how they could benefit from it. As a result, this programme should be subject to a fair amount of publicity to ensure it is able to benefit as many applicants as possible and that the standard of projects being approved is as high as can be. The LAG will aim to be as open and transparent as possible in its activities and will ensure that it engages and communicates regularly with the wider public. As described in section 4.3 it will be a requirement of grant conditions that the EU and LEADER logo is displayed whenever possible on any printed material and buildings.

The following actions are considered necessary to raise awareness of the programme:

- ⇒ An information leaflet with details on the programme, eligibility requirements, funding available, and contact details.
- ⇒ These leaflets will be placed with relevant agencies – such as Shetland Islands Council Departments, HIE Shetland, Libraries, Shetland Council of Social Services and Train Shetland.
- ⇒ The coordinator will meet with other funding bodies to inform them of the programme and ensure that they contact the LAG with any potential projects and vice versa.
- ⇒ Community groups will be consulted to explain the programme as they will be in a good position to signpost potential applicants to the coordinator.
- ⇒ Articles will be written in relevant local publications.
- ⇒ It will be the responsibility of each LAG member to promote the programme. If they sit on any other relevant committees they should ask to for LEADER to be added to the agenda of one of the meetings and explain about a bit about the programme and hand out leaflets.
- ⇒ As funding is awarded press releases will be sent to the local media.
- ⇒ A website has been created and the address will be on all documentation and leaflets circulated. It is the intention that as the programme progresses short case studies and details of projects funded will be added onto the website. This will enable people visiting

the site to see the benefits the LEADER 2007-2013 programme is bringing to Shetland.

- ⇒ Case studies of projects will be featured in the Community Workers' newsletter.

6.2 Equal Opportunities Policy

The coordinator will ensure that the Shetland Islands Council's Equal Opportunities Policy is being adhered to during the project application and selection phase as well as the life of the project and that equal opportunities are being taken into account by applicants in the design and implementation of projects.

Policy

The Shetland Islands LAG is committed to treating all members and prospective members in an equal way. Staff will be covered by the Equal Opportunities Policy adopted by the Shetland Islands Council. Treatment of individuals will be equal regardless of race, colour, sex, marital status, ethnic origin, disability, age, nationality, creed, sexual orientation or any other factor.

Target Groups

The specific target groups for the Shetland LEADER programme are women, young people, micro businesses, social enterprises. Specific local areas have been identified as target areas for assistance. The LAG will ensure it maintains an approximate 50/50 gender balance on the LAG and that it proactively seeks opportunities for young people in the programme. The LAG will ensure that meetings are held at a time and place that is accessible to all.

The Shetland LAG has identified priority areas under the LEADER programme. The LAG will ensure that the target groups and areas have access to relevant material regarding the LEADER programme and that assistance is available should they have any queries regarding potential or approved projects.

Legislation

Staff will ensure that measures are in place to meet UK wide legislation including:

- Equal Pay Act 1970
- Sex Discrimination Act 1975
- Race Relations Act 1976 as amended by the Race Relations (Amendment) Act 2000

- Disability Discrimination Act 1995
- Human Rights Act 1998
- All relevant subordinate legislation made under these Acts

In addition the following Shetland Islands Council documents will be referred to:

- Equal Pay Statement
- Gender Equality Scheme
- Equality and Diversity Strategy (including Race Equality Scheme, Disability Scheme)
- Equality Statistics 2007
- Equality Standard

Harrassment

All employees have a personal responsibility for their behaviour. Both employees and volunteer members of the LAG have a responsibility not to behave in a manner which could give offence to others. Any form of harassment and bullying behaviour is unacceptable.

Behaviour

The Programme Coordinator will be responsible to their respective line or contract manager in terms of behaviour. Individual members of the LAG will be responsible to the Chair of the LAG for their behaviour. They will also remain bound by any policies adopted by their own employers when carrying out Shetland Islands LAG business during the course of their paid employment.

Complaints

Any complaint against staff employed on the Shetland Islands LEADER programme will be dealt with through the appropriate channels and procedures laid down by the Shetland Islands Council. Complaints against any individual member of the Shetland Islands LAG engaged on LAG business as part of their employment function will be covered by the relevant policy adopted by their own employer.

Discipline

The Shetland Islands LAG will view any case of discrimination, harassment, bullying and victimisation seriously. Appropriate action will be taken as soon as possible.

7. Monitoring/Evaluation/Review

7.1 Targets, Outputs and Outcomes

The application forms contain details of target, outputs and outcomes expected to be delivery by a project. During the claim process applicants will need to report and provide evidence of what targets have been achieved. This will assist the coordinator in regular reporting to the Scottish Government.

All successful applicants will be made aware of the need to cooperate during evaluation and review periods both internally by the LAG as well externally by the Scottish Government or European auditors.

Given that there tends to be different terminology used for defining targets, outputs and outcomes the Scottish Government has provided a list of LEADER performance indicators – guidance and definitions for MALT (Managing Authority LEADER Team) reporting.

7.2 Targets

Applicants are expected to provide evidence to prove that they have benefitted the target, outputs and outcomes they have identified and included in their project application. The coordinator will provide applicants with support and advice in how to record these to the satisfaction of the auditors.

Details of the targets, outputs and outcomes requested to be collated by the Scottish Government are as follows along with the targets set by the Shetland LAG for the Shetland LEADER Programme 2007-2013.

Table 7.1 Targets

	No.
Male age under 25	75
Male age 25 and over	75
Female age under 25	150
Female age 25 and over	150
Under employed	*
Unemployed	*
People on low income	*
People with disabilities	*
Micro businesses	25
Social enterprises	10
Ethnic minorities	*
Migrant workers	*

* LAG have decided not to use this as a target group

Table 7.2 Outputs

	No.
Young people assisted	225
Women assisted	300
Social enterprises assisted	10
Communities assisted	10
No's of individuals accessing services and facilities	200
Tourism activities/products	25
Promotional and marketing initiatives	15
Innovative projects	15
Cultural/community events	10
Rural heritage projects	15
Feasibility studies/market research projects	15
Environmental/natural heritage projects supported	10

Table 7.3 Outcomes

	No.
Revitalising communities	20
Rural community capacity	10
New markets and products	*
Progressive rural economy	15
Conservation of the rural environment	5
No. of jobs created (gross)	25
No. of jobs safeguarded/maintained	20
No. of jobs created in tourist sector	2
No. of jobs created in craft sector	2
No. of jobs created in retail sector	2
No. of jobs created in renewable energy production sector	2
No. of jobs created in voluntary sector	2
Increased turnover	20
No. of training courses/learning projects delivered	20
No. of individuals trained, gaining new skills or re-skilled	100
No. of new/innovative methods introduced which improve quality of life	5
No. of new/innovative methods of adding value to local products	10
No. of new products developed	*
No. of joint projects within the UK	5
No. of trans-national projects	5
No. of community led projects	5
Maintaining high nature value of farmland	5
Improved services	5
Retention of services	5

* LAG have decided not to make this a target outcome.

The targets, outputs and outcomes above have been based on what was achieved during the last programme with some adjustments to take account of the indicative projects, of the longer duration of the programme and the approved budget.

However it must be stressed that these targets will need to be revisited on a regular basis as the programme progresses and may require to be adjusted.

Also circumstances can change and priorities may have to be amended to take account of changes. As a result of this the quantification is indicative at this stage. It will also be important to establish some more accurate baseline data in relation to some of these indicators

7.3 Review Process

The Business Plan will be reviewed on an annual basis. Figures collected throughout the year will show progress against targets, this information can then be used to readjust where necessary targets, outcomes and outputs.

The indicative actions will be reviewed to see whether they are still covering the areas most in need.



Appendix 1

LEADER PERFORMANCE INDICATORS

GUIDANCE AND DEFINITIONS

- 1. MALT REPORTING**
- 2. LAG REPORTING**

Version 1.0 – 16 March 2009



1. LEADER PERFORMANCE INDICATORS – GUIDANCE AND DEFINITIONS FOR MALT REPORTING

Indicator	Definition	Example	Audit Evidence
No of new/innovative methods introduced which improve quality of life.	The development of new and innovative approaches for products or services previously unavailable in the local area.	Social enterprise like a 'Time Bank'.	Details of the approach that has been developed, evidence that approach does not replicate existing methods, reviews. Claim and monitoring forms.
No of new/innovative methods of adding value to local products.	Support for new processes or approaches to selling, marketing or delivering existing local products which add value by improving the attractiveness of a product in the marketplace and were not previously adopted in the locality.	Development of a local brand. Events promoting new combinations of local products.	Evidence of activity increasing value of product. Claim form. Monitoring of project.
No of new products developed.	The development of a new product not previously available.	New local food products or rural craft goods introduced.	Details of approach that has been developed, evidence that the new product is being implemented/has been introduced. New product catalogue, photographs, samples, adverts.



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

Indicator	Definition	Example	Audit Evidence
No of jobs created (gross).	A permanent post created due to support given which did not exist prior to project activity.	New full time jobs (and FT parts thereof) created.	Details of post holder. Recruitment verification. Claim form.
No of jobs safeguarded.	A post which was forecast to be lost within next year but which is now permanent.	Full time jobs (and FT parts thereof) safeguarded.	Details of post. Evidence showing how continuation of post is dependant on project support. Claim form.
No of training courses delivered.	A formally organised course being provided to a number of people or organisations for the acquisition of knowledge, skills and/or competencies.	Courses providing a specific qualification or knowledge based courses e.g. marketing, finance, diversification.	Copies of promotional material for course, syllabus, attendance records and feedback forms.
No of individuals trained, gaining new skills or re-skilled.	Number of people who attend and complete a training course, workshop or event which passes on new skills.	Number completed.	Certificates of completion, course participants list, letter from training provider. Claim form.
No of joint projects within the UK.	A project which is being undertaken with group(s) in another part of Scotland or the UK.	A number of communities from different LAGs create a joint structure to sell their products.	Copy of Cooperation Agreement. Application and claim form.
No of transnational projects.	A project which is being undertaken with group(s) from EU or third country.	Joint project between Scottish LAG and at least one EU or 3 rd country LAG to build community capacity and achieve a common aim – music festival, food project, training skills exchange.	Copy of Cooperation Agreement. Reports, outcomes achieved. Application and claim form.



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

Indicator	Definition	Example	Audit Evidence
No of community led projects.	A project led by a formal or informal group with a membership of residents from the targeted area or individuals from a community of interest carrying out activities for community benefit.	Community groups given funds to develop an area of need, or public benefit.	Written confirmation from beneficiary of support received. Written record of financial support provided from claim form.
No of jobs created in tourist sector.	A job directly created by providers of accommodation, tourist attractions and facilities and other entertainment activities. (Not catering)	Full time or part time equivalents.	Details of post holder. Recruitment verification. Post project monitoring.
No of jobs created in craft sector.	A job directly created in areas such as art, pottery, glass, jewellery, textiles and furniture and quality giftware.	Full time or part time equivalents.	Details of post holder. Recruitment verification. Post project monitoring.
No of jobs created in retail sector.	A job directly created for retailing goods and services to consumers.	Full time or part time equivalents.	Details of post holder. Recruitment verification. Post project monitoring.
No of jobs created in renewable energy production sector.	A job directly created by providers of energy produced using renewable sources e.g. wind energy, solar power, hydro power, biomass.	Full time or part time equivalents.	Details of post holder. Recruitment verification. Post project monitoring.



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

Indicator	Definition	Example	Audit Evidence
No of jobs created in voluntary (third or non-profit) sector.	A job directly created by a independent organisation run on a not for profit basis e.g. a local community group.	Full time or part time equivalents.	Details of post holder Recruitment verification. Post project monitoring.
Under employed.	People within the community who are under employed including individuals not in education, employment or training, people registered as disabled, people in receipt of incapacity benefits, people in early retirement.	Qualified/skilled people not in job using skills/knowledge. People not able to work through disability, or able to work but taken early retirement.	Information provided in application form.
Unemployed.	Jobless people who want to work, are available to work, and are actively seeking employment.	People not in work for whatever reason.	Information provided in application form. Participant data form.
People on low income.	A household with an income before housing costs of below 60%of the UK average income before housing costs (e.g. mortgage, rent, insurance etc) (alternatively low income such as the SIMD income domain can be used).		Information provided in application form.



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

Indicator	Definition	Example	Audit Evidence
People with disabilities.	The Disability Discrimination Act (DDA) defines a disabled person as someone who has a physical or mental impairment that has a substantial and long-term adverse effect on his or her ability to carry out normal day-to-day activities.		Information provided in application form. Participant data form.
Micro businesses.	Support which is provided to encourage the development of new and established micro-enterprises (less than 10 FTE's and a turnover of less than €2m).	Farm business, social enterprise, rural hairdresser etc.	Written confirmation from beneficiary of support received. Written record of financial support provided.
Social enterprises.	Support which is provided to a business with a mainly social objective which reinvests surpluses for that purpose in the business or community.	Community project which produces an income greater than running costs e.g. recycling.	Written confirmation from beneficiary of support received. Written record of financial support provided.
Ethnic minorities.	People of white, mixed, Asian, black etc origin.		Information provided in application form. Participant data form.
Migrant workers.	Someone who has come from abroad to work in the UK.	Fruit pickers, mushroom pickers, fish process workers etc.	Information provided in application form.



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

Indicator	Definition	Example	Audit Evidence
Area of project benefit (km2).	The whole area which the project will benefit.	Towns, villages and surrounding countryside which benefits from project.	Information provided in application and claim form.
Geographic location.	Main HQ of project identified by parish number.	Main parish code the project is located in. If a town select nearest parish to it.	Information provided in application and claim form.
Best practice transferred.	A technique, method, process, activity, incentive or reward that is more effective at delivering a particular outcome. What works, how and why.	Cooperative joint, project, LEADER workshop, discussion with other coordinators.	Number of joint projects, number of events, number of LAGs and projects learning and using best practice transferred.
Beneficiary	Group/claimant/applicant receiving LEADER funding		Information provided in application and claim form.
Participant	Person who might gain or receive benefit from a project	Attendance at a workshop	Information provided in application and claim form. Participant data form



2. LEADER PERFORMANCE INDICATORS – GUIDANCE AND DEFINITIONS FOR LAG REPORTING

Indicator	Definition	Audit Evidence
Improvement in rural community capacity.	Rural community capacity refers to an increase in skills, knowledge, confidence and support.	Questionnaires, site visits, claims workshops, rural network events.
No of projects that primarily address economic growth.	Projects that help establish a diverse economic base, generate employment and add value to rural goods and services.	Reports, recruitment verification, budgets.
No of projects that primarily address social cohesion.	Projects that increase the accessibility of information, support and services to sustain vibrant communities.	Quality of life assessments, questionnaires, reports.
No of projects that primarily address protection of the environment.	Projects which make a clear improvement to a specific element of the environment, enhance countryside access or promote sustainable resource management.	Photo evidence, studies.
No of communities participating.	A community for monitoring purposes is considered by post code area.	Provision of printed material stating project locations e.g. event programme, training courses, questionnaires, booking forms.
No of community facilities created.	A community facility established where none existed prior to the project.	Physical evidence, photographs, brochures.
No of community facilities improved.	An existing community facility enhanced/expanded/improved as a direct result of project activity.	Physical evidence, photographs, brochures.



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

Indicator	Definition	Audit Evidence
No of promotions undertaken.	Any planned and targeted activity that promotes an idea, project or service.	Record of exhibition, print produced, press releases, websites.
Marketing activity undertaken.	Any planned and targeted activity that promotes a product or service to a customer/potential user of service.	Record of attendance at events, literature produced, articles, press releases, websites, written summary.
New markets accessed.	Occurs where support from the project has led to a new market (geographical or customer based) for an existing product or service.	Evidence of sales in new market area.
Awareness raising event.	An event specifically designed by project to raise knowledge and awareness of a particular topic.	Details collected via event register.
Feasibility study.	Technical study or similar to establish if a particular project is feasible.	Hard copy of final document.
Development plan.	Activities would include community needs analysis, audits, appraisals, surveys, development strategies, delivery framework.	Hard copy of final document.
Heritage sites with interpretation introduced.	Covers all activities that interpret natural and cultural heritage sites e.g. boards, brochures, events, staff, IT based activities.	Hard copy of materials, photographs, website, written summary.
Amenity access improved.	Covers all activities that contribute to improving amenity access.	Before and after photographs, website.