

## **SHETLAND LEADER 2007 - 2013 LAG**

### **MINUTES OF LAG MEETING HELD IN EDU BOARDROOM AT 9.30AM ON THURSDAY 16<sup>th</sup> February 2012.**

Present: Douglas Irvine, SIC (Chairperson)  
Mhari Pottinger, HIE Shetland (Vice Chairperson)  
Alice Mathewson, AB Associates Ltd  
David Cormack, SGRPID  
Tommy Coutts, SIC  
Michael Duncan, SIC  
Pete Glanville, Shetland Organics  
Ann Johnson, SNH  
Kathleen Sinclair, NFU  
Sally Spence, SIC  
Alan Blain, SAT;  
Jennifer Mouat, SSMO;  
Ruth Henderson, Seafood Shetland;  
Kathy Hubbard, Shetland Arts  
Maree Hay, NCDC  
Sheila Tulloch, SIC – LAG Co-ordinator

#### **1. Apologies and Introductions**

Apologies were received from Mick Clifton, SIC; Wendy Hand, VAS and Vaila Simpson, SIC. Hannah Nelson has been replaced by Vaila Simpson.

#### **Membership Balance**

The public/private status of the group was checked and there was an appropriate balance.

#### **Declarations of Interest**

Declarations of interest regarding the following potential projects were noted;

- 053 – SIC Schools Service – Dialect Development Project for Young People. Tommy Coutts declared an interest as project officer.

#### **2. Minutes of 15<sup>th</sup> December 2011**

The minutes were proposed by Mhari Pottinger and seconded by Ruth Henderson.

#### **3. Matters Arising – not dealt with elsewhere**

Some discussion was held about audit issues, which will be dealt with under section 9 of this minute.

#### **4. Budget Updates**

Sheila Tulloch stated that as the Burravoe project was now not proceeding, £158,000 had come back into convergence funding. There was an under spend on the Hillswick Hall project which was not yet shown in the figures. Overall not many claims had come in.

The expenditure profile had been updated to show actual figures for 2011, but there was not much yet for 2012. Figures currently show the LEADER budget as over committed, however several projects have under spent so there will be a small amount of money available, possibly £40,000. Some money may have to be put back into admin. Jimmy Smith stated that the COPE project would not now be proceeding either. This coupled with under spends on other projects could mean up to £400,000 being available under convergence funding. There are some potential projects that may come forward, but they are mostly for infrastructure and need to happen fairly soon.

Sally Spence asked if the scheme targets would be audited, and Douglas Irvine stated that they would. Sheila Tulloch stated that the main interest appeared to be in job creation, but only full time equivalent permanent posts qualified, not short term project posts. To date 31 jobs had been created, but not all meet the criteria.

#### **5. Potential Projects**

##### **090 Islesburgh Drama Group – Workshop**

Questions were asked about where the workshop would be built, and it was stated that the group had a 99 year lease from the Lerwick Port Authority for a site next to the “Peerie Galley Shed”. Questions were raised about the status of the group, and it was stated that they were currently looking at becoming a SCIO (Scottish Charitable Incorporated Organisation). It was stated that match funding was to be requested from the Shetland Islands Council, but that no application from the group had yet been received. It was noted that confirmation of the group’s own funds would also be required, and questions were asked as whether the group had this money. It was felt that if the project was to go forward a case must be built up in terms of both innovation and lasting benefit including use by other groups. Suggestion was made that they might like to investigate links with the Shetland College. It was unanimously agreed to allow the project to proceed to a full application.

#### **6. Convergence (formerly Action 4) Projects**

##### **075 – Fetlar Developments Ltd. – Fetlar Green Transport**

This project has been downsized as the wind turbines have been removed due to new rules which do not permit projects to receive grants and also to qualify for feed in tariff. The group is now seeking commercial funding for this element of the project.

Questions were asked about where the vehicle would be stored, and it was stated that there is a shed for that purpose. It was also asked how the vehicle

would be serviced and maintained, and it was stated that there is an agreement with a local transport provider to provide these services.

The project was unanimously approved.

**7. 3<sup>rd</sup> year funding for 3 year project originally approved September 3<sup>rd</sup> 2009**

**053 – SIC Schools Service – Dialect Development Project for Young People**

Tommy Coutts declared an interest as project officer. It was stated that this was the first project to come forward for follow on funding. There has been an under spend during the first 2 years, primarily due to actual costs being considerably lower than those projected in the original application, and it was felt that this would be an opportunity to tidy up the budget and funding package. LEADER funds for year 3 would only be toward funding the project officer. Disappointment was raised at the standard of the update report from the project, and questions were raised in relation to match funding from SIC. Third year funding was approved by a majority decision, subject to written confirmation of match funding from the SIC being on file.

**8. Review of LEADER programme (Forth Valley Lomond LEADER “Review Invitation to Tender”**

Douglas Irvine stated that he had received a copy of a brief for a review of Forth Valley LEADER covering what has been achieved, lessons learnt, strategy and business plan, and what next for the programme. He wondered if this LEADER group should consider doing something similar.

Sally Spence asked if the group was required to do this, and Douglas Irvine said that the group would have to do a review at some point, the question was whether or not it should be done now. Mhari Pottinger said that the advantage of doing it now was that it gives you time to prepare for the next programme. Michael Duncan asked if this could be done by self-evaluation, but Douglas stated that this type of review would be more independent and look at the impact of LEADER on the community. Kathy Hubbard asked how it would be paid for and Douglas Irvine said it would come from the admin budget, and that he thought it would cost around £20,000. Sheila Tulloch said that some money would need to be transferred into admin to cover this, and that £10,000 was currently budgeted for a final evaluation. Michael Duncan asked about timings for next LEADER Programme, and Douglas Irvine said that the programme was due to start in 2015, and a business plan would be required by 2014. After some discussion it was decided to defer the review to later in the year.

**9. Audit Matters**

Douglas Irvine said that Audit Scotland had raised issues about the award of money to the Belmont Trust for white goods and soft furnishings. He had been surprised by this as rules state that this can be funded if it is an integral part of the project. The SIC internal auditor is to look at what was done and feed back to the Scottish Government, and if he finds grounds for appeal will

do so. Discussion was had about the SRDP “shake the building” rule, and it was said that it was very difficult to process applications when some guidelines were not available. Sally Spence stated that Belmont was not a big project, and she was surprised that the auditors were bothering with it. Mhari Pottinger said if the EU auditors deemed this was wrong, it would fall on the applicant to repay the grant, however should the public sector not consider paying. Tommy Coutts said that the Government was at fault as this was the fourth LEADER programme and this had not been raised before. Michael Duncan wondered if this would also raise issues in relation to kitchen refits at halls, and Mhari Pottinger asked how many applicants this was likely to impact on. Sheila Tulloch said that Belmont was the only one they had looked at so far. Michael Duncan suggested that Sheila contact other co-ordinators to see if anything was happening in their areas. Alan Blain said it would be difficult to sell future programmes if people did not know what was going to happen. Douglas Irvine said Belmont was not a big project and it was not a lot of money, and asked if the group thought they should fight this. Alice Mathewson said that she did not think it was a good idea to let a precedent be set, and that the group should contest it. Sheila Tulloch stated that more files would be audited, and if this happens the whole file has to go to Edinburgh. Tommy Coutts asked what was happening with the £1,000 minimum spend, and Michael Duncan said they were taking the safe option and not approving any small grants.

#### **10. LAG Training Day**

Douglas Irvine asked for suggestions in relation to a LAG training day. It was agreed that the group have a brainstorming session to put together the ground work for a review. The date was provisionally set as either the 15<sup>th</sup> or 22<sup>nd</sup> March in the Solar Hus boardroom, and it was agreed this would be confirmed by email.

#### **11. Presentation by Pete Glanville on Shetland Organics LEADER Project**

Pete Glanville gave a very interesting presentation in relation to the Shetland Organics project. Following this Douglas Irvine thanked him for his presentation and went on to say that there was clearly an issue about knitwear production in Shetland. Discussions on textile apprentices may need public intervention. Maree Hay said it was not good that knitting lessons in schools had been lost, and that there was nearly a stigma associated with knitting, with people not viewing it as a career. Douglas Irvine said that ways needed to be found to assist the textile sector, and that SIC/HIE would be tendering a project on constraints within the sector shortly.

#### **12. AOB**

There was none.

#### **13. Date of next meeting/closure**

Following some discussion it was decided this should be the first Thursday after the Easter school holidays.

Following on from the meeting Anna Murray, LEADER Northern Adviser for the Scottish Government Rural Communities and Rural Policy Team joined the group, to give some pointers on the future of LEADER.

She stated that the LEADER Strategic Board was currently looking at reallocating funding between the LAGs.

Michael Duncan said that the programme rules appeared to be changing and enquired if this was going to be an ongoing thing. Anna Murray replied that Audit Scotland were coming to the Strategic Board meeting, and that LEADER was currently under the agricultural regulations which were fairly strict. Audit Scotland look at this on an annual basis, and have done a rigorous review of LEADER. We must follow the rules.

Michael Duncan said we did follow them, but then they changed. Anna Murray replied that if the rules had not changed it would have been much worse. Umbrella schemes must apply the same rules to projects as if they had come individually to LEADER. Rules across the EU may be disproportionate, but that's the way it is. Spend on LEADER is going up so the sample size will increase, and Audit Scotland will give a verbal report to the Strategic Board.

Ruth Henderson asked if changes were being made in mid-programme, would they be applied retrospectively, and Anna Murray said this still had to be dealt with. Mhari Pottinger stated that if the Scottish Government issues rules that change then they should take the hit for anything that is perceived to have been done wrong under any new rules issued. Jimmy Smith said that was natural justice. Anna Murray made no comment in relation to this. Maree Hay said that at the end of the day this was all very worrying and would put groups off applying for grants. Tommy Coutts said that the only ones with resources to deal with this was the public sector.

Michael Duncan said there was too much red tape, and Alice Mathewson stated that LEADER did not really fit under the agricultural rules. Dave Cormack asked if they would be removed from this, and Michael Duncan stated that they were not suitable for community projects. Anna Murray said the regulations were a nightmare, and Ann Johnson replied that their interpretation was also an issue.