

SHETLAND LEADER 2014 - 2020 LAG

MINUTES OF LAG MEETING HELD IN EDU BOARDROOM AT 9.15AM ON WEDNESDAY 9th March 2016.

Present:

Mhari Pottinger, HIE
Diana Abernethy, AB Associates
Juan Brown, SNH
Michael Duncan, SIC
Steve Mathieson, Visit Scotland
Annie Nicolson, NFU
Lewie Peterson, SIC (Global Classroom)
Sally Spence, SIC
Elizabeth Robinson, NHS Shetland
Ruth Henderson, Seafood Shetland
Alan Blain, Shetland Amenity Trust
Alec Miller, Voluntary Action Shetland
Bryan Leask, Hjaltland Housing Association;
Douglas Irvine, Shetland Islands Council
Graeme Howell, Shetland Arts.

Sheila Tulloch, LEADER Co-ordinator
Jennifer Sjoberg, LEADER Development Officer

1. Apologies and Introductions

Apologies were received from: Karen Eunson, CAB; Maree Hay, Northmavine Community Development Company; Ann Johnson, Shetland Food Producers; Thomas Coutts, Shetland College; June Porter, SIC; Kathleen Sinclair, NFU

Prior to the meeting starting, the opportunity was taken for a Group photograph of the LAG.

2. Membership Balance

Mhari noted that there is one more representative present from the public sector than from the private/voluntary sectors, and that, as there were applications to be considered, it would be necessary for two public sector members to withdraw from the voting and scoring.

3. Minutes of 20th January 2016

The minutes were approved by Ruth Henderson and seconded by Michael Duncan.

4. Matters arising

Mhari went through the action points from the minutes of 20th January:

- i. Sheila hasn't heard back from Andy Steven regarding the Shetland Story Telling Expression of Interest;
- ii. Letter of Offer and grant obligation covered in LEADER update

5. LEADER 2014-2020 Update

Sheila attended the LEADER Coordinators meeting in February, held near Stirling, where she received good information on specific issues. LEADER continues to be slow to roll out; it is still planned that the first stage of the Local Actions in Rural Communities system (LARCs) will be online for April, covering the application process. No training has been provided to date on LARCs. Second stage LARCs roll out planned for August 2016 to cover claims. The Scottish Government will be obliged to provide a paper based system for claims, if required, prior to the full roll out of LARCs.

Sheila attended a working group meeting in Edinburgh on the 24th February regarding letters; this included the Letter of Offer. Sheila said that the meeting was not satisfactory, as the Letter of Offer had been assigned to another member of the working group prior to the meeting, who was not present. In addition the Scottish Government LEADER team had decided that the template Letter of Offer should be based on the one used by the Food Processing, Marketing and Cooperation (FPMC) scheme, but this could not be shared at the meeting. She had received a draft copy of the Letter of Offer, but it was not ready for use. As an interim measure, there is an approval from the Scottish Government LEADER team, to use an amended version of the Shetland LEADER Letter of Offer from the previous programme. It may however be necessary to issue an amendment once the new letter has been agreed. The main area of uncertainty is around penalty clauses; in particular a line within a grant claim cannot be more than 10% under or over the amount originally applied for in the application. Graeme asked if it was known what the penalties were; Sheila said that she was not aware what the penalties were likely to be. Sheila went on to say that it may be necessary for applicants to submit a draft claim to the office, to allow it to be checked before submitting their actual claim. This would allow an applicant to complete an application change request form and have this agreed by the LAG, prior to submitting an actual claim, this isn't ideal but it will reduce the chance of penalties.

Mhari asked the LAG members if they were happy to delegate Application Change Request form approvals to the LEADER Coordinator. The LAG members agreed as this would ensure minimal delays to projects, as it could be up to eight weeks between the LAG meetings.

Decision – LEADER Coordinator has delegated authority to approve Application Change Request forms

Sheila said that there is still no LAG guidance from the Scottish Government. The LEADER conference starts on the 10th March and that there may be greater clarity following this.

6. Declaration of Interest in any Application or Expression of Interest

Mhari asked LAG members for declarations of interest, financial or otherwise, in any of the Expressions of Interest to be considered at today's meeting. The following interest was declared:

- Lewie advised that he had two aunts employed by Shetlandeli, but he hadn't been aware until he read the business plan, the LAG agreed that it was relevant

but Lewie could still vote on the project as he hadn't been aware up until receiving the papers.

7. Applications

i) 013 Tushker Ltd. (trading as Shetlandeli)

Sheila provided an update of the project since the last meeting, as following the LAG meeting on the 20th January when the project was invited to complete a full application, Sheila checked with the staff at the Scottish Government if the project was eligible for funding from the FPMC scheme available under the SRDP. Sheila was told that it may be, Shetlandeli submitted an initial application to the FPMC scheme and were informed that the application would be eligible for funding under this scheme. Following further discussion Shetlandeli were told that a final decision would be made in August, this timescale was too long for Shetlandeli and it would be the end of the project. Following this Shetlandeli discussed their options further with the Scottish Government staff and received a message to confirm that they could apply for LEADER under that justification. Sheila then received a message from the Scottish Government LEADER team to advise that the level of support which could be provided to the project was 20% to fit within the State Aid rules. Jennifer added that she had been in contact with the State Aid unit and had received two messages, the first message stated that there was potential to make the case that the project funding was not a state aid. The second message stated that Scottish Government policy in relation to FPMC and LEADER must be taken into consideration along with State Aid when considering intervention rates.

Diana asked if applicants could apply to LEADER if they were eligible for other schemes under SRDP, as earlier guidance had suggested that this was not possible. Sheila said that provided that there was justification, applicants could apply to LEADER even if they are eligible for other SRDP schemes.

Douglas proposed that the LAG approve the project to 40%, in the background as backup to the project the Council could look to progress the project under delegated authority. Douglas asked Sheila and Jennifer to provide a summary of the project to date to allow him to contact the Scottish Government as representative from the Accountable Body.

Action – Douglas

Mhari asked everyone to disregard the information heard so far and concentrate on whether they considered the project to be a good fit to the Local Development Strategy.

Diana asked if there was a cash flow for the project, Sheila said that there were 3 years cash flow but she hadn't included them due to the size of the files, Diana was passed a hard copy of the cash flows.

Mhari reminded LAG members that 10% of the Shetland LEADER budget must be spent on SME.

With regard to the imbalance in public private membership, it was agreed that, Mhari and Douglas both public members would not score or vote on the project.

Michael enquired whether LAG members should score projects in advance of the meeting or following discussion among the LAG members. It was decided the projects should be scored individually by the LAG members following the discussion and an average taken of the total scores. Completed scoring sheets are to be returned to Sheila at the end of the meeting and she will analyse the results further.

Following scoring of the project, each of the LAG members passed their total to Mhari who looked at the spread of the results, most fitted within the 86-119 category which is the "prioritise for LEADER funding" category.

The LAG unanimously agreed to approve that a grant up to 40% of eligible costs £19,122.32, should be approved for the project

8. Expression of Interest

014 Floddens Lodge

This project is to build a luxury 2 bed self catering chalet in Vidlin.

Mhari reminded members of the LAG that there was a similar project two meetings ago for self catering accommodation.

LAG members then went on to discuss the project, many did not feel that self catering accommodation represented a good fit to the Local Development Strategy or good value for LEADER funds. Douglas added that there have been a number of enquiries over the years for Self catering accommodation, which the Council has not supported, but the applicant has gone on to develop the project on their own without public funding.

Mhari asked the LAG if they thought there should be a LAG policy stance on self catering accommodation, the LAG members agreed that there should not be a LAG policy but all initial enquiries should be referred to the Local Development Strategy.

Following further discussion Mhari summarised that the LAG does not believe the project has a strong enough fit to the Local Development Strategy and will not be invited to complete a full application at this stage.

The applicant can submit another Expression of Interest with an explanation as to how the project contributes to the LDS, the impact that the project will have on Vidlin and how the project represents good value for LEADER funds.

015 Bakka

This project proposes the site works and renovation of a derelict building in the Dale of Walls into a shop and workshop, a Shima computer to allow the applicant to develop her own garment designs for production at the Shetland College facility and a wind turbine to reduce the carbon footprint of the business.

Sheila distributed the samples provided by the applicant, to demonstrate to the LAG the type of product which the applicant plans to develop, produce and market.

Mhari asked for thoughts from the LAG based on the information provided

Douglas stated that it was a high sum of money for a business start up, Annie added that the Sandness Mill wasn't far away. Sheila said that the applicant plans to join the craft trail to attract tourists to visit the Dale of Walls either on their way to or from Sandness. The LAG members had serious reservations for the viability of a shop in the Dale of Walls and questioned what else could be done to attract visitors to the area to improve the viability.

Sally asked if the applicant has an agreement in place with the Shetland College, Sheila said that she wasn't aware. Mhari pointed out that there was already some conflicts at the college between students and commercial businesses for space and time on the college equipment. Michael queried the match funding and if this was in place, Sheila said that the applicant had identified private sources but these were not confirmed.

Ruth pointed out that the project was a good fit to the local development strategy, linking to three of the priority actions. Steve added that it is very difficult to have design confidentiality and raised the Fair Isle and Chanel example which was recently in the press.

Mhari stated that there was a lot of work to be done by the applicant to demonstrate that the project was viable, representing good value for LEADER funds and that a detailed business plan would be required. Sheila said that the applicant was currently in discussion with a business advisor through Business Gateway. Michael added that not many businesses of this type started with the building. The LAG members then went on to discuss the fit to the local development strategy and it was agreed that the workshop could fit within the criteria but the computer and wind turbine did not fit.

Following this discussion Mhari summarised that the applicant should be advised that the LAG agree that the shop/workshop was a potential good fit to the local development strategy but did not feel that the wind turbine and Shima computer were a good fit. Applicant has been invited to complete a full application for the shop and workshop element of the project, clear evidence is required that the project is viable and represents a good value for LEADER funds.

016 Carnegie Hall

This project proposes to refurbish the hall and build six wigwams to provide a sustainable income source for the hall.

Jennifer stated that in addition to the information provided the Carnegie hall has also submitted an application to the Climate Challenge Fund (CCF) for energy efficiency and other measures to reduce the community carbon footprint. This was backed up by Michael who was involved in supporting the hall committee with the CCF

application. Michael said that he had not been aware of the Wigwam project up until now. Jennifer replied that the Wigwam project has been kept quiet to date as the group was concerned about private individuals taking the project forward before they could.

Bryan stated that carbon savings are not mentioned in the expression of interest submitted. Other LAG members agreed and noted that decisions can only be made on the information presented and the fit to the Local Development Strategy.

Sally asked Michael if there was any other support available to community buildings for projects of this type. Michael said that there was no funding available from the SIC, there is some Lottery funding available but it is mainly aimed at larger and smaller projects there are also other smaller pots available from other funders.

In response to a query regarding existing community buildings in the area Lewie provided the LAG with an outline of the difference between the Sandwick Social Club which was membership based and the Carnegie Hall which tended to be more family orientated.

Mhari raised the point that any Community hall project will struggle to be innovative. Douglas queried whether it was just wigwams or if there was caravan points too, Jennifer said that it was only wigwams that she was aware of, Juan said that there were camp sites available in Cunningsburgh and Levenwick. The LAG committee then went on to discuss that the project elements were separate and were not dependent on one another to progress. Steve asked where the land for the wigwams was located at, Jennifer answered that she was not aware of the exact location of the site.

Michael asked whether there should be a general rule set for community buildings or if they should be considered on a case by case basis. Mhari said the LAG should continue to consider community building projects on a case by case basis. Michael added similar projects received funding under the previous programme; Mhari reminded LAG members that this was a new LAG, a new Programme and decisions must be based on fit to the Local Development Strategy.

Following the discussion Mhari summarised the discussion and it was agreed that the Carnegie Hall committee will not be invited to complete a full application at this stage, the LAG feel that the two projects are separate and the applicant needs to show a greater link between the two projects or take the projects forward separately.

9. Revised LDS Business Plan

The original LEADER business plan was written two years ago by Tommy Coutts, when he was employed at Economic Development, the original Business plan had to be based on assumptions as guidance had not been provided. Jon Dunn from Shetland Islands Council Economic Development has updated the Business Plan to reflect the updates now available.

In addition there will need to be a LAG training day to review the Local Development Strategy as this was also written two years ago.

Sally said that the FLAG section of the business plan has not been updated; this will be done shortly by Jon Dunn.

10:45 Graeme Howell left meeting

10. New LAG Memorandum of Understanding

Jon Dunn from Shetland Islands Council Economic Development has updated the LAG constitution to a Memorandum of Understanding following discussions at previous LAG meetings and comparison with other LAGs across Scotland this was thought to be a more suitable structure for the Shetland LAG to adopt.

Mhari commented that the MOU looked fine and she had no comments. Michael asked where liability sits with the LAG and the LEADER 2014-2020 programme; liability sits with the Shetland Islands Council as the Accountable Body. Ruth asked if there was a complaints and appeals procedure for LEADER, Sheila said that there was and that Jennifer had been working on the template letters for the letters working group.

11. Promoting the new programme – formal launch

LAG members agreed that we should have a formal launch, LAG members discussed that these will need to fit around Purdah 24th March to 5th May for the Scottish election and 27th May to 23rd June for the European Union referendum. LAG members agreed that a date between the two may be most suitable.

LAG members discussed ways to raise awareness of LEADER prior to the formal launch as time is limited; ideas included adding the Shetland LEADER web address to email signatures.

The new Shetland LEADER website has been launched, if anyone has any comments or amendments please get in contact with Jennifer

10:50 Bryan Leask and Michael Duncan left the meeting

12. LAG Membership – member profiles and photos

Maurice Henderson took individual photos of 4 LAG members prior to the meeting, LAG members are reminded to send through a profile and a picture, if LAG Members don't want their picture on the website let Jennifer or Sheila know.

13. AOB

Mhari commented that attendance at the LAG meeting is very important to ensure that the meetings are quorate throughout. As the previous meeting was quorate at the start but was not quorate not long after the decision on funding was made. While it is recognised that everyone is busy and has other commitments it would be appreciated if LAG members could stay for the whole meeting.

LAG members were reminded that there must be at least 5 private and voluntary with a total of at least 8 members for the meeting to be quorate.

14. Date of next meeting/closure

Next meeting on 4th May

Meeting closed at 11:00