

Tyne Esk LEADER Programme 2014-20: Progress Report

Report by Dr Mary Smith, Director of Education, Communities and Economy

1.0 Purpose of Report

The purpose of this report is to update Cabinet on the progress of the Tyne Esk Leader 2014-20 Programme following Scottish Government approval of the Local Development Strategy (LDS) and Business Plan.

2.0 Background

2.1 National Context

The LEADER programme (a French acronym roughly translating as 'links between actions for the development of the rural economy') is one element of the Scotland Rural Development Programme 2014-2020 (SRDP) which aims to improve agriculture and promote economic and community development within rural areas of Scotland.

The LEADER Programme in Scotland and SRDP is part of the European Union (EU) Common Agricultural Policy (CAP) and is funded by the European Commission and the Scottish Government. LEADER is a bottom-up method of delivering support to communities for rural development. Grants are awarded by Local Action Groups (LAGs) to projects that support delivery of a Local Development Strategy.

The aim of LEADER is to increase support to local rural communities and business networks, to build knowledge and skills and encourage innovation and cooperation in order to tackle local development objectives. Scottish LEADER Programmes are expected to contribute to seven areas of activity:

- Driving community action on climate change.
- Enhancing rural services and facilities, including transport initiatives.
- Enhancing natural/cultural heritage, tourism and leisure.
- Supporting food and drink initiatives (e.g. short supply chains, community food).
- Building co-operation with other LAGs in Scotland, UK and Europe.
- Equal opportunities for all in our rural communities.
- Sustainable development of fisheries areas.

There are 21 LEADER Programmes in Scotland each run by a separate LAG.

2.2 Local Context

Following extensive public consultation and consideration of existing neighbourhood plans and local strategies, the Tyne Esk Local Development Strategy for LEADER has the following aims, objectives and themes.

Aim

To strengthen our rural communities: economically, socially and environmentally.

Objectives

- To support our communities to be more inclusive, resilient and to flourish.
- To create/enhance conditions for business growth and set up.
- To support the local environment, natural and built, to add value to our communities and businesses in a sustainable way.

There are two overarching priorities: community development and co-operation; and economic development.

In order to help achieve these objectives three key development themes have been identified:

- Community, co-operation and cohesion.
- Economic development, including business development and local employment.
- Enhanced environment.

Grants will be awarded to projects that can successfully demonstrate a strong link to one or all of these themes and which consider the LEADER values of innovation and cooperation.

3.0 Report Implications

3.1 Resource

The LAG has now appointed three staff members who will develop and manage the LEADER programme ensuring financial eligibility of spend and fulfilling the requirements of the Service Level Agreement (SLA) and Local Development Strategy. The LEADER staff team are made up of a Co-ordinator, a Project Officer and a Claims Officer. There is sufficient separation of duties to enable each to undertake separate roles with respect to each application. The Council's Economic Development Manager is the Accountable Body representative for the LAG and attends LAG meetings and quarterly Accountable Body meetings as well as line manages the LEADER Co-ordinator. Councillor Bryant is the standing representative for Midlothian Council on the LAG and has voting rights.

The Tyne Esk LAG 2014-20 Programme has 14 individual members and 4 observers. All were selected through a competitive process for their skills and areas of expertise which will enable delivery of the outcomes identified in the LDS. LAGs have to maintain a minimum of 51% representation from outwith the public sector in their membership – Tyne Esk LEADER has a 64%-36% split between the non-public and public sectors.

The Tyne Esk LEADER Programme has received 59 expressions of interest. 20 of which have been from Midlothian and 39 from East Lothian.

Midlothian Council received an indicative funding allocation from the Scottish Government of £3,490,769 for the Tyne Esk LEADER Programme. A maximum of 25% (£872,692) from this allocation is set aside for administration costs. The LEADER programme has spent a total of £49,584 on administration to date. Midlothian Council initially pays these administration costs and the LEADER staff team submit quarterly claims to the Scottish Government to recover the costs. The staff team have claimed £16,362 so far and are up to date with claims to the Scottish Government.

The Tyne Esk LEADER Programme has 6 applications totalling £267,889 going forward to be considered for funding by the LAG. These applications will be assessed by the LAG members and a decision made on 31st October 2016. A verbal update will be given at Cabinet meeting on 22nd November on any substantive issues that arise at the LAG meeting and Accountable Bodies Meeting, which is due to be held on 8th November.

The LEADER programme has been “suspended” to new bids beyond the UK Government’s Autumn Statement on November 24th 2016, pending a review by the Scottish Government. There is, at this point, no clarity about when it will be reopened although there are indications from the Scottish Government that it will reopen and will not have a reduced allocation.

Any funding awarded to applicants prior to November 24th will be honoured by the Scottish Government.

3.2 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☐ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☒ Improving opportunities in Midlothian
- ☒ Sustainable growth
- ☒ Business transformation and Best Value
- ☐ None of the above

3.3 Impact and Performance Outcomes

The nature of the Tyne Esk LEADER Programme and Local Development Strategy cuts across all the themes within the Single Midlothian Plan. It aligns strongly with the Midlothian Economic Recovery Plan, the key sectors and is in fact identified within the Recovery Plan as a key action or mechanism of support. The LEADER Local Development Strategy complements the work of the existing sixteen Midlothian Neighbourhood Plans and may be a potential method of support to aid project delivery. Community planning representation on the LAG helps to encourage collaboration and support for projects strategic in nature working towards achieving joint targets.

3.4 Adopting a Preventative Approach

The key aim of the Tyne Esk LEADER Programme and Local Development Strategy is to strengthen our rural communities: economically, socially and environmentally. Providing support to strengthen our communities and make them more resilient along with improving conditions for business growth and economic development will help to create a vibrant and successful local economy with the ability to positively address local issues and adapt to change.

3.5 Involving Communities and Other Stakeholders

The Local Development Strategy was built on the results of community and public consultations and the findings from the local action and neighbourhood planning processes conducted in each authority area; the Single Outcome Agreement for each area; also taking account of national and European priorities.

The LAG, which includes representatives from both Local Authorities along with business, public and third sector, has been involved throughout and directly contributed to the development of the Local Development Strategy. The LAG will be the key decision making body for the Tyne Esk LEADER Programme.

3.6 Risk

Failure to deliver on areas within the Programme or SLA does pose some financial risk in terms of reclaiming or disallowance of expenditure. This is not unique to Tyne Esk LEADER or indeed any European funded programme. To deal with such instances and provide comfort to Local Authorities, COSLA are working alongside the Scottish Government to provide a mechanism for dispute resolution for matters legal, audit or financial in nature. However key to minimising this risk is ensuring correct systems and procedures are in place and staff and the LAG work competently within the LEADER guidance. The staffing resource of this Programme has also increased substantially from those previous to ensure effective administration.

Midlothian Council's Internal Audit recently reported on the administration of Tyne Esk LEADER and gave it a 'good' level of assurance.

3.7 IT Issues

The Scottish Government have introduced an IT system named Local Actions in Rural Communities system (LARCs) which has been designed with the functionality for The Scottish Government and Local Action Groups (LAGs) to record and store data to assist the LAGs Monitoring and Evaluation frameworks.

LARCs will enable the LAG to report against:

- EU targets
- Scottish Government Targets
- LAG bespoke targets (as per the LDS).

All Tyne Esk LEADER staff and LAG members have undertaken training on the LARCs system.

Any applicants applying for Tyne Esk LEADER funding will have to do so using the LARCS system. Relevant training to applicants will be provided by LEADER staff in order to best achieve a successful submitted application.

Any monies claimed for by a successful applicant will be made through the LARCs system with the relevant training provided by LEADER staff.

3.8 Ensuring Equalities

The Tyne Esk Local Development Strategy has been assessed against Midlothian Council and East Lothian Council's Combined Equalities Impact Assessment Framework. This has assessed the strategy as potentially providing a number of positive impacts for equalities groups including the following:

- Reduced isolation for older people through, among other things, intergenerational projects.
- Access to affordable childcare, to help people take up employment.
- Increased engagement/activities for young people.

- Improved accessibility which is advantageous for varying forms of disabilities.
- Improved employability including improved access to local employment through development of community transport schemes.
- Financial and digital inclusion is a specific outcome and will help those in poverty or at risk of falling into it.

The only negative finding is that due to the fact that they are not rural areas, Dalkeith and Musselburgh in East Lothian are ineligible for the Programme. However there are alternative sources of funding to support improvements for groups within these areas.

4.0 Recommendations

It is recommended that Cabinet:

- (i) Note progress to date in the operation of the Tyne Esk LEADER Programme; and
- (ii) require further on progress at appropriate points in the implementation of the Programme.

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