

## MINUTES

### Local Action Group – Rural Enterprise Group Meeting

Wednesday 18<sup>th</sup> June 2016, 2pm

Held at: Woodbank House, Dumfries

Present: Gill Khosla (Chair) (GK) Teresa Dougall (TD)  
Sharon Glendinning (SG) Judith Johnson (JJ)  
Eva Milroy (EM) David Gardner (DG)  
Lesley Jackson (LJ) Doug Wilson (DW)

Staff: Nicola Hill (NH) Ellen Grant (EG)  
Derek Hextall (DH)

Apologies: Gill Dykes

### Action points from this meeting

- Request 2 year Cash flow forecast for business as supporting documentation for all future applications.
- LAG members to inform Team of any promotional events they could potentially attend to raise profile of Rural Enterprise
- Team to work with successful applicants to address Cash flow/Milestone issues.

#### 1. Welcome & Apologies

Chair, Gill Khosla welcomed everyone to the meeting and introduced Ellen Grant who had recently taken up post as Rural Enterprise Project Officer with the LEADER Team. Gill also welcomed new LAG members David Gardner from Business Gateway, (who has replaced Chris Churms) and Doug Wilson, who is covering Paula McDonald's maternity leave from Visit Scotland.

Apologies were noted from Gill Dykes and Gary Davidson who is on paternity leave.

**Declarations of Interest:** There were no declarations of interest

#### 2. Minutes of previous Meeting held 16<sup>th</sup> February 2016

Mentoring and Coaching training: this had been an informative session and the Rural Enterprise group showed sufficient interest in the idea of mentoring for this to be progressed. NH acknowledged a desire to deliver on this and was now evaluating the notes and comments to recommend how this could be implemented. An update will be provided in the July Staff Report which will include a proposal for mentoring, suggested follow up meeting and establish a LAG steering group to progress idea.

#### 3. Update on Expressions of Interest

GK sought clarity on the figures presented in the EOI update and for new members in particular to reflect on what the information tells us. NH advised that this was for information on the level of interest shown through EOIs coming forward, from what localities across the region and at this stage in the programme it is not possible to do a comparison in terms of levels of interest etc.

The Rural Enterprise figures appear to be lower than that of Communities. There are a number of factors such as the support to farm diversification projects and small rural business being new to LEADER and community groups being more familiar with LEADER and what it can support.

NH advised that, with the new dedicated Officer in post, more targeted promotion and awareness raising of the fund would be undertaken.

LAG members were asked to keep the team informed of any events which they become aware of that they feel would be an opportunity to raise the profile of LEADER.

#### 4. Overview of Scoring Process

NH gave a brief overview of the scoring process to be undertaken, in line with the Scoring Workshop attended by most LAG members present.

#### 5. Consideration of Applications

NH advised members that, whilst a Cashflow/Milestone spreadsheet had been provided for each application, some issues had been identified by the Team during Technical Assessments and, if successful and with the agreement of the LAG, the Team would work with applicants to ensure the Cashflow/Milestone spreadsheet is completed accurately. AGREED BY ALL.

##### R002 – Happy Hooves Equestrian Centre

NH advised that this is a relatively new organisation and so does not have the required 2 years accounts which need to be provided and so must provide a statement from an Accountant on forecast income. The group have not been operating for a full 12 months and so has not instructed an Accountant either. If successful, this would need to be addressed before being given an Offer of Grant.

Concerns were raised over whether this was a business start-up and whether it could be supported. NH advised that there was no Guidance from Scottish Government on how long an organisation need to be trading for and that the Applicant had confirmed it was not a new business, it had been operational for some time but that this project was to take the organisation to the next phase of its development. Members would have liked to have seen evidence of previous generated income and reasonable projections for the next 2 years.

Queries were raised around evidence of need and demand and in particular the levels of local/catchment demand for disabled riding, other riding lessons and tourism demand for riding and how this impacts on cash flow and income generation.

Recognition was given to the entrepreneurial spirit of the application in an area of multi-deprivation and this was commended by the group.

Additional queries around the 'all weather' statement within the application conflicting with the identified risks of bad weather would need clarified and how this would impact on the revenue stream. Members felt that the risk's section hadn't been fully considered and would have liked more identified risks particularly in relation to sustainability and barriers which would affect income streams such as lack of custom, bad weather, illness etc.

Members recognised the passion and enthusiasm displayed in the Application and felt that the concept was good, it fits well within the LDS and demonstrates innovation – but would have liked a bit more information to have been provided throughout the application.

### SCORING

1. Does the project embody originality, embrace experimentation or demonstrate innovation?	2
2. Does the project applicant demonstrate adequate knowledge, experience and enthusiasm to deliver?	3
3. Does the project demonstrate clear linkages to other related local activities or strategies?	2
4. Does the project demonstrate evidence of community, market or business need/demand?	2
5. Does the project demonstrate value for money?	3
6. Does the project clearly demonstrate additionality?	2
7. Does the project adequately recognise and address participation barriers or risks?	2
8. Does the project clearly tackle at least one of the LDS themes: a. Economy   b. Land, Coast and Marine Environments   c. Sustainable Settlements	2
9. Does the project clearly demonstrate what will be achieved by the project – Outcomes/Indicators/Target Groups?	2
10. Are you happy that this project fits comfortably with the LEADER LDS?	YES
<b>TOTAL SCORE</b>	<b>20</b>

Number of Members APPROVING: 3

Number of Members NOT APPROVING: 0

Number of Members DEFERING: 4

The decision was taken to **DEFER FOR ELECTRONIC APPROVAL** within 1 month with reasons for deferral:

- to allow time to provide further information on the need and demand from within the catchment area on:
  - levels of demand for disabled riding
  - levels of demand for other riding lessons
  - indication of anticipated levels of demand from tourism
- to provide clarification on 'all weather' facility as bad weather is identified as a risk
- to fully consider additional outcomes and indicators from Sustainable Settlements in section 6
- to provide information on accounts as requested by the Team
- to provide 2 year cash flow forecast of the organisation
- to provide details of the £58,000 spend to date
- to provide information on the income generated to date

Suggested contacts:

Contact could be made with Business Gateway to look at business plan, cash flow projections and other business support. Visit Scotland may be able to provide data on visitor numbers who utilise riding centres.

**[TERESA DOUGALL'S CONTACT IN SCOT BORDERS – SEE NIC]**

### R004 – Cavens Luxury Cottage Development

NH advised that there was no Equal Opportunities or Health and Safety policy in place at present, but the applicant had given assurances that, if successful, these would be developed and put in place.

Members felt that the application did not demonstrate innovation or value for money and felt that the development could happen with the investment of private lenders.

Members felt the application was well written but struggled to identify a strong fit to the Local Development Strategy.

Concerns were also raised during discussion around the low occupancy being a 2 person facility, operating 52 weeks a year represents just 104 of a head count. High projected costs for the accommodation at £250 per person per night also raised concerns.

Members did not feel convinced by the economic impact and were concerned that the applicant had not exhausted private lending options.

### SCORING

1. Does the project embody originality, embrace experimentation or demonstrate innovation?	1
2. Does the project applicant demonstrate adequate knowledge, experience and enthusiasm to deliver?	3
3. Does the project demonstrate clear linkages to other related local activities or strategies?	3
4. Does the project demonstrate evidence of community, market or business need/demand?	2
5. Does the project demonstrate value for money?	1
6. Does the project clearly demonstrate additionality?	1
7. Does the project adequately recognise and address participation barriers or risks?	2
8. Does the project clearly tackle at least one of the LDS themes: a. Economy   b. Land, Coast and Marine Environments   c. Sustainable Settlements	2
9. Does the project clearly demonstrate what will be achieved by the project – Outcomes/Indicators/Target Groups?	2
10. Are you happy that this project fits comfortably with the LEADER LDS?	NO
<b>TOTAL SCORE</b>	<b>17</b>

Number of Members APPROVING: 0

Number of Members NOT APPROVING: 7 Reject

The decision was taken to **REJECT** the application for the following reasons:

- The application did not demonstrate originality or innovation
- The application was considered more of a business opportunity rather than a project and should seek private lending
- The application lacked information to give a strong fit with the Local Development Strategy

It was suggested that the Applicant may be eligible for Scottish Government Rural Empty Property Funding. The Team will check if this fund is still open and if appropriate will feed back to applicant.

### R028 – Senwick Alpaca Trekking

NH advised that there was no Equal Opportunities or Child Protection policy in place at present, but the applicant is working with Third Sector D&G and, if successful, will provide copies.

Members felt this project demonstrated an innovative approach to farm diversification; the application was enthusiastically written and were impressed with the involvement of the community and not simply presented as a benefit to the business in isolation.

Concerns were raised around different total expenditure figures being used throughout the application and cash flow. NH advised that, if Members were minded to support the project, this would be addressed by the Team.

Members were aware of a similar venture in the Scottish Borders and thought this maybe a good link for the applicant to get further information on the seasonal nature of the proposal and the need and demand which would better inform the cash flow and outcomes. It was also felt this connection may be able to offer advice on the pricing policy this applicant has suggested.

Further information on projected income and where the project fits with the wider economic impact of the business would have been welcomed by Members.

Some additional concern was raised around this being a low impact proposal for the business, due to the seasonal nature of the activities. It was also recognised that there would be a low impact on job creation but a significant impact on the business by diversifying. It was also considered to be a relatively low grant being requested/total spends for a new venture involving marketing and website creation.

A query was raised around any guidance available on costs for services such as marketing or website creation. NH advised that there are no specific guidelines but Members should assess value for money based on the application details.

There was also a slight concern raised over the timescales indicated in the application and a desire to have the facility available for this season. NH advised she had raised this at feed back stage with the applicant and they confirmed the timescales they have set are all achievable.

### SCORING

1. Does the project embody originality, embrace experimentation or demonstrate innovation?	4
2. Does the project applicant demonstrate adequate knowledge, experience and enthusiasm to deliver?	3
3. Does the project demonstrate clear linkages to other related local activities or strategies?	3
4. Does the project demonstrate evidence of community, market or business need/demand?	3
5. Does the project demonstrate value for money?	3
6. Does the project clearly demonstrate additionality?	3
7. Does the project adequately recognise and address participation barriers or risks?	3
8. Does the project clearly tackle at least one of the LDS themes: a. Economy   b. Land, Coast and Marine Environments   c. Sustainable Settlements	3
9. Does the project clearly demonstrate what will be achieved by the project –	2

Outcomes/Indicators/Target Groups?	
10. Are you happy that this project fits comfortably with the LEADER LDS?	YES
TOTAL SCORE	27

Number of Members APPROVING: 6

Number of Members NOT APPROVING: 1 Reject

The decision was taken to **APPROVE** the project with 1 recommendation:

A 2 year cash flow forecast is provided within 1 month of accepting the Offer of Grant.

NH thanked Members for their participation and for their advanced comments at draft feedback stage; this helps the team to work better with applicants and this would be welcomed in the future as per this round where any issues could potentially be resolved, should be raised at draft feed back stage.

**AOCB**

With no further business GK closed the meeting with a word of thanks for all

**Date of Next Meeting**

Next meeting **14<sup>th</sup> September 2016 – venue to be confirmed [NH TO CONFIRM]**

*Teresa Dougall and Lesley Jackson advised they would be unable to attend the next meeting but would provide comment electronically in advance to the Chair.*

Meeting closed at 15:45