

MINUTES

Local Action Group – Rural Enterprise Group Meeting

Thursday 17th November 2016, 10 am

Held at: The Holiday Inn, Crichton Campus, Dumfries

Present: Gill Khosla (Chair) (GK)
Sharon Glendinning (SG) Gill Dykes (GD)
Eva Milroy (EM) Judith Johnson (JJ)
Lesley Jackson (LJ) Teresa Dougall (TD)
Amanda Hannah

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

Apologies: Doug Wilson

Action points from this meeting

- LARCS feedback to be raised with Scottish Government.
- Team to revise information in Project Plan
- Arrange LARCs training workshop

1. Welcome & Apologies

Chair, Gill Khosla welcomed everyone to the meeting and noted apologies from Doug Wilson.

1.1 Update on LAG Membership: GK introduced Amanda Hannah who had recently been recruited as a LAG member on the Rural Enterprise Group.

1.2 Declarations of Interest: GD declared an interest in Agenda Item 4 R053 Beeswax Foundation Machine and her interest was such that she would leave the room during consideration of this item.

2. Minutes of previous Meeting held on 14th September 2016

Minutes were proposed by EM and seconded by GD. Minutes were approved.

3. Consideration of Standard 'Conditions of Grant' in all Offer of Grant letters

EG sought approval from members to include 2 standard 'Conditions of Grant' in all Offer of Grant letters:

1. *"You will be required to attend a Claims Workshop"*
2. *"Any net income generated by the project will need to be evidenced and will be removed from the grant at final claim stage"*

JJ asked what the process was in the previous LEADER programme in relation to generated income. NH advised that projects had always been asked to forecast any income it would generate and to confirm that any income generated during the project period would not be used to support project activities but would be used towards future sustainability.

JJ suggested condition 2 should read *"Any net income generated by the project **during the project period** will need to be evidenced and will be removed from the grant at final claim stage"*

LAG members unanimously approved the Standard Conditions with the revised wording.

4. Consideration of Applications

EG advised members that all project decisions are based on Scottish Government issued Guidance version 2.0

C018 – Upland Creative Network

EG advised members that this application was deferred at the previous LAG meeting and had been re-submitted, providing the additional information that was requested. During the time since the last meeting, the applicant has had to make changes to the Application and so the LAG are being asked to re-score this submission.

The total project cost is £81,325.94 and the applicant is applying for £40,662.97 which represents 50% intervention. All match funding is evidenced and the project is technically eligible for support.

GK had received feedback from DW prior to the meeting to ask members to consider if there was another more appropriate source of funding for this project. Members discussed this but were not aware of any additional sources of funding the applicant could have applied for.

- GD felt there was some cross-over between this project and other initiatives being funded by other agencies.
- EM queried the business plan and would have liked to have seen greater emphasis on the project activities, rather than the general activities of the organisation; it was felt this read more like an annual report.
- LJ had concerns over legacy and sustainability of the creative industry and in particular around the temporary employment opportunities it creates; but acknowledged this is the nature of the industry. It was further acknowledged that this funding could generate significant impact during the project period, but was a risk in terms of future sustainability.
- Members commented that it was difficult at times to fully understand what the *project* actually was.
- TD queried if the applicant had mentioned any future funding options beyond the period of potential LEADER funding. EG advised that Upland had gone through significant organisational change recently and that they are keen to explore sponsorship opportunities to assist with future sustainability.
- GK appreciated that the group need to look at this application in context. It was originally presented as a 'communities' application but owing to its economic focus, was best presented to the Rural Enterprise LAG. This means it should not be considered solely with an enterprise mind-set. The project looks impressive but does present risk and the group acknowledged that the short term employment opportunities are part of the creative sector risk
- JJ stated that LEADER is always about nurturing and encouraging innovation and this will always involve an element of risk and felt this project presented a risk worth taking.
- SG advised that her initial concerns over the organisation's capacity to deliver and further exploration of the ground work of the project had been addressed following draft feedback. She felt there was still a high level of risk with the project but this was in part due to the landscape where the organisation currently finds itself operating and was comfortable that the risk was manageable. She acknowledged that this funding during a 'rebirth' for the organisation could provide the difference in the organisation going forward. SG felt that the intervention of the LEADER team going forward in a 'critical friend' role would give comfort to the LAG if supported.
- EM took comfort that support from Creative Scotland was part of this project and this minimised the risk factor in her opinion.
- GD commended the enthusiasm shown in the application and LAG members acknowledged the successes shown by the organisation in delivering Spring Fling; they took comfort that the organisation had the core competencies to deliver.
- GK suggested LAG members need to be more visible to projects and would be encouraged to support projects by attending events etc, along with the LEADER Team

- NH advised that the mentoring framework would be developed by mid-2017 and LAG members would be encouraged to get involved in this.
- The LAG discussed a statement within the Application which suggested the organisation would welcome external support and the LAG felt it would like an external representative, potentially through Creative Scotland, to be involved in the assessment of applications and in the recruitment process.

Following a full discussion, GK invited Members to score the project:

SCORING

1. Does the project embody originality, embrace experimentation or demonstrate innovation?	3
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?	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	3
9. Does the project clearly demonstrate what will be achieved by the project – Outcomes/Indicators/Target Groups?	3
10. Are you happy that this project fits comfortably with the LEADER LDS?	YES
TOTAL SCORE	25

Number of Members APPROVING: 7

The decision was taken to **APPROVE** the application with the following conditions:

- You will be required to attend a Claims Workshop
- An independent person out with Upland Arts Development CIC must be involved in the recruitment process.

A suggestion was made for the organisation to make links with Business Gateway.

R053 – Beeswax Foundation Machine

PROCEDURE: GD Left the room during consideration of this application

EG introduced the project, confirming match funding from the applicant's own funds (£13,287) had been evidenced and that the application was for a 50% intervention; £13,287. The project has been assessed and is technically eligible for support.

- SG had no major concerns and thought this was a nice project and could see the business benefits.

- EM felt the applicant presented the project in a clear manner and was happy to support
- JJ commented that the photographs within the application helped give a better understanding of the project
- LJ raised concerns that this was simply a business expansion and that finance could have been raised through a commercial lender. She felt there was a solid business case for this and that there was a healthy return so questioned whether LEADER was the right source of financial backing. LJ felt that LEADER funding should not be used to displace
- TD felt this was a good application that clearly demonstrated a need and demand. She raised concern that it didn't seem to mention local businesses being supported such as beekeepers and would like this raised if successful.
- JJ felt that it was difficult for this application, which fits most of the LEADER criteria, to demonstrate how it addresses the community aspects of LEADER support; suggesting this was a constraint of the process rather than a lack of willingness by the applicant.
- SG suggested that the LEADER Team could include discussions around commercial lending during the development stages. This was agreed. It was suggested this is often unusual for small businesses to consider bank funding as they are not in regular communication with their bank.
- LAG members recognised that if the applicant was to secure commercial lending, they would not benefit from the input from the LEADER team.

Following a full discussion, GK invited Members to score the project:

SCORING

1. Does the project embody originality, embrace experimentation or demonstrate innovation?	3
2. Does the project applicant demonstrate adequate knowledge, experience and enthusiasm to deliver?	4
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?	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?	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	3
9. Does the project clearly demonstrate what will be achieved by the project – Outcomes/Indicators/Target Groups?	3
10. Are you happy that this project fits comfortably with the LEADER LDS?	YES
TOTAL SCORE	26

Number of Members APPROVING: 5

Number of Members NOT APPROVING: 1

The decision was taken to **APPROVE** the application with the following conditions:

- You will be required to attend a Claims Workshop
- Any net income generated by the project **during the project period** will need to be evidenced and will be removed from the grant at final claim stage

A suggestion for links with local businesses should be considered and evidenced in the final report.

PROCEDURE: GD re-entered the room

R056 – Rural Swim

EG introduced the project, confirming match funding from the applicants own funds (£30,000) and loans (£43,200) had been evidenced and that the application was for a 40.58% intervention; £49,986. The project has been assessed and is technically eligible for support, although planning permission is not in place so if LAG members were minded to support the project, it could only be a deferral, subject to planning permission. Planning permission is due by 12th December 2016.

- EM raised concerns over how this project will be managed with 1 or 2 staff members. Further concerns were raised about the limited amount of equipment and capacity of the facility in terms of being a profitable business venture and would not be minded to approve.
- TD felt this was a highly innovative farm diversification project but queried the maintenance of the facility and queried what local (UK) provision there was for the technical maintenance of the equipment as this is being manufactured in the United States. EG advised members that whilst it was a US design, it was being procured from a UK based company.
- LJ felt this project clearly demonstrated innovation but had concerns over the cost, £8 per hour, as being expensive in comparison to public facilities. She had some concerns over health and safety and felt this would need full consideration by the applicant if supported. She recognised this was not a hugely profitable venture for the business and queried how the gym equipment fits in to the layout of the facility.
- GD felt this had a unique marketability and was innovative for a rural area. She queried the qualifications around first aid and lifesaving of the staff. Had a concern that the facility would become more for personal use than a business venture and would be keen to seek evidence of marketing.
- SG raised serious concerns over this project stating swimming pools in general are a high risk/high cost venture and this is inflated in a rural area such as the proposed location of the project. Concerns were raised around the facilities capacity and the value for money this would represent.
- LAG members acknowledged the size of the pool being 5.2m x 2.3 x 1.3m deep which allayed health and safety concerns
- LAG members appreciated the health and recuperation benefits.
- Queries were raised around the scope of the proposed marketing and how it will fit with health and social care, links should be explored.
- EM would like to have had more information on the proposed lay out of the dry side equipment. Further clarity on the booking system and how the facility would be managed and staffed would also have been welcomed.
- LJ queried concerns of other members around this being a personal therapy pool and asked what the guidance was if after 3 months this project was not proving profitable and was used for personal use. NH advised that there would be an obligation for the facility to be used for a minimum of 5 years as presented in the application, or the grant funding would be reclaimed. The applicant would be obliged to cooperate with monitoring visits and potential inspections by Scottish Government/EU auditors.

Following a full discussion, GK invited Members to score the project:

SCORING

1. Does the project embody originality, embrace experimentation or demonstrate innovation?	3
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9. Does the project clearly demonstrate what will be achieved by the project – Outcomes/Indicators/Target Groups?	3
10. Are you happy that this project fits comfortably with the LEADER LDS?	YES
TOTAL SCORE	26

The LAG took a vote on whether the application should be considered for deferral or not approved:

Number of Members **CONSIDER FOR DEFERRAL**: 5

Number of Members **NOT APPROVING**: 2

The LAG agreed to **DEFER** the application and took a vote on whether this should be for **ELECTRONIC DEFERRAL** or **DEFERRED TO NEXT MEETING**

Number of Members for **ELECTRONIC DEFERRAL**: 6

Number of Members for **DEFERRAL TO NEXT MEETING**: 1

The decision was taken to **ELECTRONICALLY DEFER** the application with the following conditions:

- Planning Permission to be in place
- Further clarity on technical maintenance arrangements for equipment and information on the general cleaning regime
- Further information on the marketing and promotion of the facility with specific info on health and social care providers
- Further details on the layout of the facility in particular the dry-side equipment
- Additional information to be provided to the LAG for consideration prior to the Planning Permission outcome date (which is expected 12th December 2016)

5. AOCB

Update on Expressions of Interest

EG updated members of the number of Expressions of Interest being received by the team and noted that these had slowed down in recent months. This was felt to be due, in part, to the current political climate with the EU which has resulted in limited promotion by the team; this would be picked up now there is some clarity from Scottish Government over the programme. EG advised members that there were approximately 12 applications in the pipeline, hoping to work towards a March 2017 decision.

LARCs IT System

GK welcomed the opportunity to receive feedback from LAG members having used the LARCs IT system for this first time in assessment of applications. She acknowledged the work of the LEADER team in providing feedback to Scottish Government as issues arise but felt feedback from LAG members would be beneficial.

Key points arising:

- EG suggested members do not use Fire Fox browser as issues have been identified in accessing file attachments
- EG suggested Google Chrome is a good browser to use which allows you to extend the text boxes and print
- Members felt it would be useful to have 'fit with LDS', 'Match Funding' and 'Milestone Summary' included in the Project Plan along with Target details
- Feedback to Scottish Government about the lock out scenarios: double click and 20 minutes of inactivity
- Members would welcome opportunity of a training session on LARC's – team to arrange
- Members raised concern about the number of projects who are not progressing but have started LARCs which represents a huge volunteer commitment
- Members welcomed the ability to now access all supporting documents and found this as a positive progression.

A query was raised by JJ regarding the Expression of Interest process. EG advised this would remain separate from LARCs and is accessed via the Rural Network website.

With no other business GK thanked members for the discussions and closed the meeting.

Date of Next Meeting

Next meeting **8th March 2017** at Woodbank, Dumfries

Meeting closed at 12:15