

**ANGUS COUNCIL**

**INFRASTRUCTURE SERVICES COMMITTEE**

**RURAL TAYSIDE LEADER PROGRAMME 2007/2013**

**REPORT BY DIRECTOR OF INFRASTRUCTURE SERVICES**

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| <p><b>ABSTRACT This Report informs the Committee of progress on the Rural Tayside LEADER Programme: and seeks approval to implement two small financial support mechanisms to assist applicants in Angus experiencing cash flow issues.</b></p> |
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**1. RECOMMENDATION**

1.1 It is recommended that the Committee:

- (i) note the progress of the Rural Tayside LEADER Programme in Tayside;
- (ii) agree to the implementation of an advance payment facility for any successful LEADER applicant experiencing cash flow issues; and delegate authority to the Head of Economic Development and Environmental & Consumer Protection to approve advance payments on a case by case basis.
- (iii) Agree to delegate authority to the Head of Economic Development and Environmental & Consumer Protection to approve advance funding on a case by case basis for retention monies for any LEADER applicant experiencing cash flow issues.

**2. INTRODUCTION**

2.1 The Committee is referred to article 36 of the Minute of the meeting of the Infrastructure Services Committee of 28 August 2007, agreeing to note progress of the development of the Scottish Rural Development Programme (SRDP) and the submission of an indication of interest to form a Local Action Group to deliver LEADER in Tayside and if successful, Remitting Officer to prepare and submit a Business Plan. The Committee is also referred to article 19 of the minute of the Infrastructure Services Committee of 16 October 2007 agreeing to note the proposed delivery mechanisms for the SRDP and LEADER in Tayside and to improve in principle contributions towards the administration costs of the Rural Tayside Leader Local Action Group. The Committee is also referred to article 23 of the minute of the meeting of the Infrastructure Services Committee of 22 April 2008 agreeing to note the approval of the LEADER programme in Tayside and to approve Angus Council assuming the lead partner role for the implementation of LEADER in rural Tayside as well as the establishment of two full-time posts within the Economic Development unit for a fixed term of five years to administer the LEADER programme to be funded from the programme's administration cost budget and contributions from Angus Council and Perth and Kinross Council.

**3. RURAL TAYSIDE LEADER PROGRAMME**

3.1 On 12 March 2008 the Scottish Government announced that the Rural Tayside Local Action Group (LAG) had been awarded £2million to distribute during the period 2008-2013. The Rural Tayside LAG consists of representatives from the public, private and voluntary sector. Angus Council is Lead Partner while Perth and Kinross Council chair the Local Action Group. The Rural Tayside LEADER programme supports projects that fit with the LEADER themes of 'revitalising rural communities' and 'progressive rural economies'

3.2 Since approval Angus Council has recruited two full-time staff members to promote, administer and deliver the programme across rural Tayside. Both posts are fixed term for five years and funded from the LEADER administration costs. The staff are managed by the Senior External Funding Officer.

- 3.3 Since the launch of the programme in 2008 until the end of June 2009 a total of 173 enquiries have been made and 44 project applications have been received. A variety of capital and revenue projects have been approved including funding for festivals and events, feasibility and research, training, volunteering, environment amenity and access, social enterprise and business mentoring support, cultural heritage and tourism and community development activity. Full details of grants awarded and monies approved is attached at appendix 1.

#### **4. APPROVED PROJECTS AND CASH FLOW ISSUES**

- 4.1 The Rural Tayside LEADER programme can only provide funding of up to 50% of the total eligible project costs and funding is paid in arrears, generally on a quarterly basis. In addition up to 25% of the LEADER grant awarded is retained until the final claim has been submitted, checked and paid.
- 4.2 As the aim of LEADER is to increase the capacity of the local rural community, to build knowledge and skills and develop innovative solutions to tackle local development objectives, it is clear that in a small number of cases the payment in arrears and the 25% retention can cause some difficulties for community groups who do not hold sufficient reserve funds to cover up front costs and payments. Scottish Government guidance allows LEADER LAGs to make up front payments on a case by case basis, however as Angus Council is the lead partner and responsible for administering the finance of the LEADER programme, approval is sought to implement this.
- 4.3 Perth and Kinross Council have extended their existing small short-term interest free loan facility to community groups to successful LEADER applicants in Perth & Kinross that can demonstrate potential cash flow issues at the start of the project. The loan is guaranteed against the LEADER grant and does not exceed 25% of the total LEADER grant awarded. In addition the small scale loan facility can be used to pay up front the retention monies to allow groups to conclude expenditure on a project. The loan is then repaid once the LEADER retention funding has been released. It should be noted that to date only two organisations in Perth & Kinross have accessed this support.
- 4.4 In order for LEADER to be able to assist any organisations facing cash flow difficulties, including those in Angus, it is proposed that Angus Council delegate authority to the Head of Economic Development and Environmental & Consumer Protection to approve appropriate advance payments on a case by case basis against proof of predicted expenditure.
- 4.5 Similarly, procedures will be put in place to allow for advance payment of retention monies, on a case by case basis against proof of predicted expenditure. Again it is not anticipated that there will be huge demand for this facility.
- 4.6 The few applicants who may access this support will enter into a signed agreement with the LEADER LAG. This will minimise any risk to the Rural Tayside LEADER Programme. In the event that a project does not proceed after securing an advance payment this will be a financial loss to the LEADER programme and will not call on any additional funding from Angus Council. Similar procedures have been put in place in other LEADER areas of Scotland however it is clear that demand is very low and therefore the level of advance payments would not represent any significant risk to the LEADER programme.

#### **5. FINANCIAL IMPLICATIONS**

- 5.1 The Scottish Government made an advance payment of £140,000 to the LAG from the £2 million allocation in December 2009. Additional funds are drawn down quarterly based on expenditure and claims paid out to applicants. These funds will be used to underwrite payments of either advance payments or retention monies.

#### **6. HUMAN RIGHTS IMPLICATIONS**

- 6.1 There are no Human Rights Implications arising from the proposals in this Report.

#### **7. EQUALITIES IMPLICATIONS**

7.1 The issues dealt with in this report have been the subject of consideration from an equalities perspective. An [equalities impact assessment](#) is not required.

**8. CONSULTATION**

8.1 The Chief Executive, Director of Corporate Services, Head of Finance and Head of Law and Administration have been consulted in the preparation of this report.

**9. CONCLUSION**

9.1 The Rural Tayside LEADER Programme continues to offer excellent opportunities for community organisations and business networks in rural Angus and across Tayside to attract funding for a range of projects. The Programme will continue to be promoted through events, publicity, and with the forthcoming launch of the website.

10.2 Offering small scale interest free loan facilities for all applicants will be a positive and welcomed opportunity for community groups who often perceive the payments in arrears as a barrier to developing and implementing projects and therefore sometimes refrain from applying for funding. In the current economic climate this will also be welcomed by applicants.

**ERIC S LOWSON  
DIRECTOR OF INFRASTRUCTURE SERVICES**

**NOTE:** No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

ECDEV/DV/AJS  
25 August 2009

| Enquiries received and applications approved until 30/6/2009 |                     |                                     |                          |                |                              |
|--|---------------------|-------------------------------------|--------------------------|----------------|------------------------------|
|  | Number of enquiries | Number of Successful applications * | LEADER grant approved £s | % LEADER Grant | Total Eligible Project Costs |
| Angus  | 67                  | 8                                   | 85,532.00                | 42.26%         | 202,373.00                   |
| Perth & Kinross  | 82                  | 23                                  | 298,935.07               | 43.86          | 681,592.80                   |
| Tayside  | 6                   | 1                                   | 4,600.00                 | 38.02          | 12,100.00                    |
| <b>Total</b>   | <b>173</b>          | <b>32</b>                           | <b>389,067.07</b>        | <b>43.42</b>   | <b>896,065.80</b>            |

\* 4 are pending decision and 8 did not qualify.

23 of these approved projects (72%) projects are based in Perth and Kinross (76% of LEADER committed expenditure) while 8 (25%) projects are based in Angus (21% of committed LEADER expenditure). One additional Angus based project is Tayside wide.

**AGENDA ITEM NO 29**

**REPORT NO 597/09**

| Organisation  | Project Title   | Area            | Eligible Costs | Grant Approved |
|---|---|-----------------|----------------|----------------|
| Blairgowrie & Rattray Regeneration Company                  | Ericht Project Phase 1  | Perth & Kinross | £15,000.00     | £4,500.00      |
| Letham Community Council                                    | Vinney Den Footbridge   | Angus           | £30,000.00     | £12,000.00     |
| Pitlochry Partnership                                       | Revitalising Pitlochry: Towards 2009                            | Perth & Kinross | £42,500.00     | £21,250.00     |
| Perthshire Visual Arts Forum                                | Perthshire Visual Arts Forum 2008                               | Perth & Kinross | £6,340.00      | £2,460.00      |
| Pitlochry in Bloom  | Pitlochry in Bloom - Branching Out                              | Perth & Kinross | £8,400.00      | £2,780.00      |
| Tayside Biodiversity Partnership                            | Carse of Gowrie Orchard Festival                                | Perth & Kinross | £8,690.00      | £4,345.00      |
| Angus Council   | Angus Accommodation Audit                                       | Angus           | £15,000.00     | £6,000.00      |
| The Scottish Crannog Centre                                 | Developing the Scottish Crannog Centre                          | Perth & Kinross | £77,900.00     | £38,950.00     |
| Heartland FM  | Connecting Highland Perthshire Communities                      | Perth & Kinross | £35,500.00     | £17,750.00     |
| Highland Perthshire Communities Partnership                 | Strengthening Highland Perthshire Communities                   | Perth & Kinross | £25,450.00     | £12,450.00     |
| P&K Council on behalf of the P&K Social Economy Partnership | Developing Social Enterprise in Rural Perthshire                | Perth & Kinross | £87,500.00     | £35,000.00     |
| Enterprising Eastern Perthshire                             | GrowBiz   | Perth & Kinross | £73,245.00     | £36,622.50     |
| Comrie in Colour Association                                | Community Polytunnel  | Perth & Kinross | £8,365.00      | £3,664.00      |
| Strathmore Arts Festival (stART)                            | stART 2009  | Perth & Kinross | £6,450.00      | £2,902.00      |
| Volunteer Centre Angus                                      | Migrant Worker Volunteering Project                             | Angus           | £50,024.00     | £25,012.00     |
| Caledonian Railway (Brechin) Ltd                            | Caledonian Railway Shop & Buffet                                | Angus           | £10,805.00     | £4,860.00      |
| Explorers - The Scottish Plant Hunters Garden               | Garden Volunteer Development Co-ordinator Post                  | Perth & Kinross | £25,604.00     | £11,522.00     |
| Angus Council   | Village Halls' Support Officer, Renewable Energies              | Angus           | £20,000.00     | £8,000.00      |
| Comrie Development Trust                                    | Sustainable Development of Cultybraggan - Development Director  | Perth & Kinross | £85,389.50     | £42,694.75     |
| Murton Wildlife Trust                                       | Murton Community Farm   | Angus           | £48,200.00     | £21,850.00     |
| Coupar Angus Regeneration Trust                             | Revitalising Coupar Angus                                       | Perth & Kinross | £28,288.00     | £11,338.00     |
| Brechin Townscape Heritage Initiative                       | Traditional Building Skills - Old Ways for a New Future         | Tayside         | £12,100.00     | £4,600.00      |
| Crieff & Strathearn Drovers' Tryst                          | Development of Drovers' Tryst through New Marketing Initiatives | Perth & Kinross | £2,562.00      | £1,281.00      |

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| Explore Aberfeldy  | Following in the footsteps of Burns in the Homecoming Scotland Year | Perth & Kinross | £3,823.30  | £1,529.32  |
| Strathardle Trading CIC                                      | Kirkmichael Village Shop  | Perth & Kinross | £58,222.00 | £17,807.00 |
| Angus Glens Website Management Group<br>Broadband Sub-group  | Angus Glens Broadband Phase 2                                       | Angus           | £13,344.00 | £4,810.00  |
| Bankfoot School's Out Club                                   | Bankfoot School's Out Club  | Perth & Kinross | £23,305.00 | £10,487.00 |
| Blairgowrie & Rattray Regeneration Company                   | Community Engagement Campaign                                       | Perth & Kinross | £15,654.00 | £7,020.00  |
| Royal Society for the Protection of Birds (RSPB)<br>Scotland | Access & Audience Development Plan                                  | Perth & Kinross | £19,990.00 | £4,990.00  |
| Scottish Native Woods  | Tay Western Catchments Project                                      | Perth & Kinross | £18,725.00 | £4,502.50  |
| Pitlochry Partnership  | BLED Learning Journey   | Perth & Kinross | £4,690.00  | £3,090.00  |
| Angus Mountain Bike Trails Association (AMBTA)               | Feasibility Study for Mountain Bike Trail Centre -<br>Part 1        | Angus           | £15,000.00 | £3,000.00  |