



OUTER HEBRIDES LEADER 2014-2020 PROGRAMME



Note of the Meeting of the Outer Hebrides LEADER Local Action Group

In Committee Room 3, Comhairle nan Eilean Siar, Stornoway
with video-conference to Comhairle offices in Balivanich, and teleconference to Castlebay

on Wednesday 16th November 2016 at 10.00am

Present: Colin Gilmour, Outer Hebrides Community Planning Partnership (Chairperson)
Lorna Eller, Outer Hebrides Tourism (Private)
Alison MacCorquodale, Tourism Outer Hebrides 2020 Leadership Group (Private)
Matt Bruce, Lewis and Harris Horticultural Producers (Private)
Rachel MacKenzie, Highlands and Islands Enterprise (Public)
Neil Campbell, Community Land Scotland (Private)
Murdina Naylor, Tagsa Uibhist (Private)
Andrew Ross, North Uist Development Company (Private)
Lorna Macaulay, Harris Tweed Authority (Private)
Cllr. Alistair MacLennan, Federation of Small Businesses (Private)
Carola Bell, Community Energy Scotland (Private)
Eoin MacNeil, Co-Cheangal Innse Gall (Private)
Johanne Ferguson, Scottish Natural Heritage (Public)

In attendance: Donna Matheson, Outer Hebrides LEADER Co-ordinator
Charlene Macmillan, Outer Hebrides LEADER Finance and Project Officer
Domhnall MacDonald, Comhairle nan Eilean Siar, Accountable Body Representative

**Apologies/
Absent** Iain Fordham, Outer Hebrides Tourism (Vice Chairperson) (Private)
Claire MacLeod, Mossend Residents Association
Roddie Mackay, Princes Trust
Donnie Macdonald, MG Alba
Helen Sandison, Private Individual
Hector MacLeod, Third Sector Hebrides
Duncan MacInnes, Western Isles Fishing Association (Private)
Iain MacLennan, Skills Development Scotland (Public)
Cllr. Alasdair MacLeod, Comhairle nan Eilean Siar (Public)
Sarah MacLean, Scottish Crofting Federation (Private)
Deirdre Steele, Storas Uibhist (Private)

1

	<i>Action for:</i>
<p>1. Welcome and Apologies</p> <p>The Chair welcomed everyone to the meeting, with all members introducing themselves.</p> <p>Apologies were noted from: Cllr Alasdair Macleod; Donnie Macdonald; Iain MacIannan; Ian Fordham; Duncan MacInnes; Helen Sandison; Deirdre Steele, Claire Macleod and Roddie Mackay</p> <p><i>Representation from 2 Public and 12 Private members of the LAG were present.</i></p>	
<p>2. Declarations of Interest</p> <p>The following Declarations of Interest were noted:</p> <p><u>Item 5:</u> 15/P00005: Colin Gilmour (Chair) – The Chair will leave the Meeting whilst this Project is discussed and scored 15/P00014: Lorna Eller - Refrained from scoring 15/P00031: Murdina Naylor – Refrained from scoring</p>	
<p>3. Note of last meeting and matters arising thereof:</p> <p>The minutes of the previous meeting on 27th September 2016 were agreed to be a true and accurate reflection.</p> <p>Proposed: M. Bruce Seconded: N. Campbell</p> <p>There were no matters arising.</p>	
<p>4. Scottish Government Statement</p> <p>A good degree of certainty has been received from the UK and SG Government that all European funded projects can be approved up until the point of the Brexit, although formal notification of this in writing from SG would still be welcome.</p> <p>This clarity also enables the LAG to look at undertaking future co-operation projects.</p> <p>The Comhairle European Officer has suggested that funds should be committed by March 2019; however this has not been formally advised.</p>	

5. Project Applications

a) Note of Projects Approved

Round 6: Four applications were submitted to the 'September Round', which was scored by the LAG. The LAG approved the Projects received, and were presented with specific 'conditions' attached to the Approvals as a result of their comments/ advice and in accordance with standard Programme guidance, all of which were agreed by the LAG:

15/P00010: Comunn Eachdraidh Nis – Place Names & Archaeology in North Lewis

APPROVED: with conditions £74,475

15/P00024 Ceolas Uibhist – Gaelic Media & Communications

APPROVED: with conditions £49,421

15/P00025 Mary McCormick – John's Bunkhouse

APPROVED: with conditions £70,000

STATE AID: DE MINIMIS

15/P00028 Community Energy Scotland – Community Energy Facility Based Programme

APPROVED: with conditions £28,446.06

Round 7: Eight applications were submitted to the 'October Round', which was scored by the LAG. The LAG approved 5 of Projects received, and were presented with the attached conditions of the grant offers, all of which were approved for the following projects:

15/P00011: Outer Hebrides Fisheries Trust – Glen River Restoration Project

APPROVED: with conditions £1,008.25

15/P00013 Mr & Mrs Mackenzie – Na Bothain-Sandy Bay Croft Wigwams

APPROVED: with conditions £41,769.20

STATE AID: DE MINIMIS

15/P00014 Alice MacLeod – Bothag Buirgh

APPROVED: with conditions £31,445

STATE AID: DE MINIMIS

15/P00031 Sheila Park-MacDonald – The Wee Haven

APPROVED: with conditions £13,669.12

STATE AID: DE MINIMIS

15/00033 TrixPix – Multimedia Studio and International Marketing Campaign

APPROVED: with conditions £67,900

STATE AID: DE MINIMIS

The remaining 3 Projects forwarded to the LAG for scoring were over the £75,000 threshold, requiring discussion and ratification of scores. The LAG had returned overall 'approvals' for the Projects and agreed to uphold this decision and focussed on the attached conditions presented:

15/P00005 Hebrides Dance and Wellbeing – Hebrides Dance & Wellbeing Studio

APPROVED: with conditions £125,000

The Chair requested that Rachel Mackenzie assume the temporary position of 'Chair' in their place, for the discussion of this particular Project, due to a declaration of Interest. R. Mackenzie accepted, and Colin Gilmour left the room.

The Chair queried the proposed (f) condition attached to the Project, in relation to how it would be monitored/ imposed as it related to the post-construction aspect of the Project, of which LEADER was not responsible for; it was suggested that this be issued as a 'Recommendation', rather than a 'Condition', for this reason. It was raised that further, compulsory Programme 'conditions', including the need to use the building for its originally funded intention related also to the post-construction phase of the Project and as a result it was agreed that all points covered would be attached to the grant offer as 'conditions' rather than 'recommendations'.

It was clarified that Projects are auditable under EU regulations for 5 years after the final payment date of a Project, and if audited or an SG 'On-the-Spot' or 'Ex-Poste' visit was undertaken, any attached Project conditions would be consulted to ensure they had indeed, been carried out, even if in relation to a post- LEADER funded element.

All proposed conditions were agreed and approved, with added requests of including the Barra area in item (f) along with the commitment to providing services to the Uists and Barra area to be included in the Business Plan.

In relation to condition (b) it was queried whether the intention to use some of the building space for the Surf School would complicate compliance issues, further clarification on this is required, but initial thoughts were 'no', as long as the building was used for 'exercise' purposes.

The significant level of grant money being awarded was discussed in relation to the integrity of the building, with the LAG querying whether condition (b) could be extended to 10 years; it was however noted that the 5 year period stated was in alignment with EU regulations and after this period the Project would not be subject to Programme audit requirements, making it difficult to impose and monitor after this time.

Amendment to condition (f) included and approved:

f) Agreement to working with dance classes/ schools in Harris/ Uist/ Barra and also to add this to the existing Business Plan.

Discussion on the Project concluded and Colin Gilmour was welcomed back into the room and re-assumed the position of Chairperson, from Rachel Mackenzie.

15/P00012 Uig Lodge Lettings – Uig Lodge Restaurant

APPROVED: with conditions £125,000

The LAG were concerned about potential staffing issues arising with the Project, in relation to the post-construction phase, with the ability to attract and sustain long-

term staff in a remote area; The LAG agreed not to impose any specific recruitment conditions to the application, but to request that a comprehensive progress report on the operation and impact of the Restaurant to be provided to the LAG, one year after opening.

The LAG again raised the issue that significant sums of grant money were being awarded to private businesses with no process in place to ensure that these levels of funds would result in successful ventures; it was suggested that the LAG should be offering some support to these Projects to ensure maximum results from funds awarded, in the form of a dedicated member of staff. It was highlighted that all business applications coming forward to LEADER are always directed to either Business Gateway or HIE, depending on the scale, by LEADER officers for assistance with business planning, advice and cashflows, although it was noted that Business Gateway resources are currently stretched. R. Mackenzie, HIE representative, advised that Projects over a particular level that have a wider community impact in fragile areas - examples including the current application being discussed, and Harris Marina - will be account managed by HIE and therefore receive the desired aftercare and expert advice the LAG seek; however other private businesses such as Hebrides Dance and Wellbeing Studio, are not within HIE's criteria and as such could benefit from ongoing assistance from Business Gateway; as a **resolution to the discussion** it was suggested that HIE and BG work together to identify and offer support to LEADER business applications, post-funding.

It was requested that a condition be added to the application approval that membership of the OHT C.I.C is continued, along with active participation in the Eat Drink Hebrides trail.

The LAG again discussed the support issues surrounding allocating grants to large scales Businesses; it was noted that the LAG can request that businesses 'sign-up' for Business Gateway workshops on cashflow, recruitment of staff etc. in order to enhance their business management skills, as per the conditions attached to application 15/P00013; it was discussed as whether or not this could be extended to imposing applicants to sign-up to the 'living wage' declaration and/ or business pledge; **the LAG agreed** to revisit such discussions at the next LAG Meeting as other strategic issues relating to applications, will also be on the agenda at the next Meeting.

The consequences of conditional breaches were also discussed, with the LAG raising the issues of applicants potentially disposing of assets before the required 5 year timeframe; it was noted that all Projects are under EU regulatory requirement to adhere to the conditions, during which time they can be subjected to risk/ random

visits from the local LEADER office/ SG/ Audit Scotland and/ or the EC, and if found to be in breach will be liable to repay funding, including any additional penalties that are imposed as a result; clarification on any other furthering monitoring considerations for the point raised, will also be sought from SG.

New approved, Conditions added to 15/P00012:

- x) *Uig Lodge Lettings will continue with their Outer Hebrides Tourism C.I.C membership with 'The Smokehouse' restaurant participating in the 'Eat Drink Hebrides' Trail.*
- x) *A detailed and comprehensive report will be provided to the Outer Hebrides LEADER Local Action Group on the progress of the Business after its first full year of operations.*

15/P00026 Harris Development Ltd – Harris Marina Hub

APPROVED: with conditions £125,000

The LAG queried the mention of 'Bye-laws' in condition (a): what are they, do they prevent the applicant from undertaking anything that they anticipate delivering? It was noted that this is a standard condition taken from the SG issued approval letter, however clarification on any fishery related bye-laws that may affect the Project will be sought.

The LAG requested that the requirement to obtain appropriate insurance is included as a standard condition for all capital applications, going forward.

The LAG noted that the partnership elements of the Project could have been more established, with aspirations for the Project perceived to be low in relation to the anticipated turnover; however, it was noted that the Coastal and Marina Strategy currently in development focussed on Partnerships, the outcomes of which will be of benefit to the applicant. It was agreed that the issues raised were satisfied in the conditions attached and the LAG agreed to uphold the approval and the attached conditions, along with the new additional condition relating to insurance.

New approved condition added to 15/P00026, and all other capital applications in Round 7: 15/P00005; 15/P00012; 15/P00013; 15/P00014; 15/P00031; 15/P00033

- x) *Appropriate level of insurance is sought and obtained for the construction and operational phase of the business/ Project, with evidence provided to the Outer Hebrides LEADER secretariat upon receipt.*

The Chair 'Thanked' the LAG for their efforts in scoring during this round, given the level of applications; gratitude was expressed to new scorers, as well as members who

have been consistently scoring all Projects since the Programme opened; members who have not yet scored, were encouraged to.

Following the level of applications received, and the various issues surrounding the volume for the LAG, the Chair highlighted that the current 3-day timeframe for questions before scoring, did not appear to be working, with some LAG members asking questions later whilst others would refrain from scoring until a full response from questions was returned; it was proposed that going forward, appraisals would be forwarded to a single member of the LAG, in advance of being issued to the full LAG, to allow that appointed member to review all the applications and construct questions/queries to be reverted back to the applicant for a response within 24hours, with all appraisals and Q&A's then being forwarded onto the remaining LAG for scoring; the Chair noted that some members of the LAG had already volunteered their time, for this suggestion.

Discussion continued surrounding the Q&A timeframe along with the frequency of the application round with the possibility of it being reduced from monthly to 6-weekly; although concern was raised that members were in effect, being asked to review applications twice, **the LAG agreed** to trial a 5 day period for asking/ answering questions and then an additional 5 day period allocated for scoring with the application round frequency to be revisited at the next LAG meeting in January 2017.

The Chair also highlighted the current appraisal process, noting that it could be perceived to be quite leading, with the scoring criteria elements clearly referenced on the appraisal to highlight where the relating information can be located. The LAG continued discussions around the appraisal format, including the exclusion of relevant cashflow information, although it was highlighted that such additional information, including all supporting documents provided by an applicant, was available to the LAG on LARCs.

LEADER officers are required by SG to complete a number of compliance documents, including a Technical assessment, for all projects, with the 'Appraisal' document not a requirement but provided in response to the LAGs 'paper overload' issue after the first round of scoring; as this document is not a requirement it was suggested that it could be removed completely, or as agreed, amalgamated with the technical assessment to both reduce officers paperwork and meet the needs of the LAG. The Chair and N.Campbell offered to be consulted in the process if necessary, along with R. Mackenzie. A possible December meeting was suggested to be arranged for these parties to discuss further.

The value of having a mixed and representative LAG that can contribute was highlighted with agreement to defer decisions surrounding appraisals, Q&A timescales and Project conditions to the next LAG Meeting in January 2017, along with Scoring, to revisit discussions for the need for all members to score Projects at every Round.

b) Change Requests

The LAG were presented with 'Change Requests' from Projects 15/P00002 and

<p>15/P00003 that had been approved in principle by the LEADER co-ordinator. The LAG noted and ratified the Changes.</p> <p><u>Actions</u></p> <ul style="list-style-type: none"> • <i>Additional, specified conditions to be added to approved applications</i> • <i>Seek clarification on the impact of the Surf School's inclusion in application 15/P00005 in relation to compliance with the building being used for its originally funded purpose for the next 5 years.</i> • <i>HIE and BG to liaise regarding providing post-funding support for businesses</i> • <i>Advise/ clarification sought from SG regarding the monitoring/ impact of applicants to ensure non-disposal of assets before the required 5 year timeframe</i> • <i>Confirmation of fishery-related bye-laws to be sought with any resulting impact on application 15/P00026 considered</i> 	<p>CM/ DM DM</p> <p>RMK</p> <p>DM</p> <p>DM</p>
<p>6. Pipeline Applications</p> <p>Details of applications in progress were provided to the LAG, it was noted that application 15/P00030 may submit this year, should the LAG agree to another funding round in 2016.</p> <p>The LAG agreed that they would be accepting applications submitted by November 29th 2016, with no funding rounds set for December.</p> <p><u>Actions</u></p> <ul style="list-style-type: none"> • <i>November application Round to be advertised</i> 	<p>CM</p>
<p>7. Financial Report</p> <p>The LAG were provided with a financial overview of the Programme to date, inclusive of the recent Project approvals from the October Round; it was noted that over £1M has now been committed, including over 80% of Business and Crofting Diversification compulsory budgets committed.</p> <p>It was noted that no commitment on co-operation Projects had occurred, as guidance form SG has yet to be provided, however early enquiries and conversations regarding future potential co-operation projects, have taken place.</p> <p>Item 12 – Audit</p> <p>In addition to the volume of funding committed to date, the Chair brought forward the brief discussion of item 12 on the agenda to highlight that Outer Hebrides LEADER had achieved a 'green' status from their recent audit/monitoring visit from SG.</p> <p>The Chair 'Thanked' everyone involved, highlighting the milestone achieved in approving £1 million in funds, noting the good variety in Projects approved.</p>	

A Press Release will be compiled and circulated to the LAG for comment; if LAG members have any PR angles they would like covered, then please advise.

A request for the geographical spread of funding committed was requested, and will be provided to the LAG in due course.

Actions

- *Contact member of LEADER team for any suggested PR angles*
- *Press Release to be issued pertaining to level of funds committed*
- *Geographical spread of funding committed to be presented to the LAG*

LAG
DM
CM

8. Staff

The position of Outer Hebrides LEADER Project Support Assistant has been vacant since August 2016; it is proposed that the position will be advertised towards the end of the current year with recruitment in early 2017.

The AB noted that a Modern Apprentice is also due to commence employment within the Economic Development department of the Comhairle, and will be available to offer support to the LEADER team in the interim.

Actions

- *Post for Outer Hebrides LEADER Project Support Assistant to be advertised*

DM

9. LINC Conference

The Chair provided an overview of his recent trip to Hungary on behalf of the LAG for the LINC Co-operation Project; it proved to be an informative and useful visit to network with other areas and ascertain how they work, with some areas being well experienced in undertaking co-operation Projects, such as Finland.

The Chair underlined the importance of branding in relation to promotion in other areas, noting that the message from the Outer Hebrides can be mixed, with Tigh *Innse Gall*, Comhairle nan *Eilean Siar*, *Western Isles* Health Board, used as examples.

Information has been passed on to LEADER staff regarding links established for possible co-operation Projects with West Estonia, Finland and Latvia, relating to Marine and Youth initiatives.

Lorna Macaulay and Rachael Mackenzie departed the meeting. A quorum was no longer present but as no further decisions were required to be made, the Meeting continued.

The LAG queried whether previous co-operation Project links were still established, with it being noted that the Crofting Connections Project from the previous Programme had been in contact hoping to undertake an additional phase in the new Programme, along with the OHT C.I.C still communicating with the areas that they worked with during their previous Nature Tourism co-operation Project.

10. OHL Co-ordinator Update

The LAG was provided with an overall operation update on the Programme since the previous LAG Meeting; it was noted that the F&P Officer will be attending Claims training on LARCs later in the Month.

IT was noted that an Accountable Body Meeting was held in the previous week, however updates from this was not available at the time of the Meeting and will be circulated to the LAG in due course.

Actions

- *Circulate notes/ updates from Accountable Bodies Meeting to LAG.*

AB/
DM

11. Conflicts of Interest/ Confidentiality Forms

It was requested that any members of the LAG who have not completed up-to-date Conflict of Interest forms and/ or Confidentiality agreement forms, to please do so as soon as possible and return to a member of the LEADER team.

Actions

- *Submit Conflicts of Interest/ Confidentiality forms to LEADER team*

LAG

12. Audit

Item discussed during agenda item 7

13. Website

The winning contractor has now been engaged, with a meeting scheduled for the following day.

14. AOCB

Dates for 2017 LAG Meetings will be discussed and set at the next Meeting, with a provisional date for March 2017 to be organised.

It was noted that Stewart Robertson, SGRPID, has stepped down from his position on the LAG, although he has offered his assistance on an advisory basis should it be required.



OUTER HEBRIDES LEADER 2014-2020 PROGRAMME



Deirdre Steele is the new primary contact for Storas Uibhist during Kirsty MacCormick's maternity leave.	
--	--

15. Date of Next Meeting	
---------------------------------	--

Tuesday 31st January 2017, 10am, Committee Room 3, Comhairle nan Eilean Siar.	
---	--



OUTER HEBRIDES LEADER 2014-2020 PROGRAMME

