

**REPORT TO: ECONOMIC DEVELOPMENT & INFRASTRUCTURE COMMITTEE
ON 20 APRIL 2010**

SUBJECT: LEADER

BY: DIRECTOR OF ENVIRONMENTAL SERVICES

1. REASON FOR REPORT

1.1 To update members on the first year of the Moray LEADER programme and to invite members to agree match funding payments towards Cairngorm LEADER Programme.

1.2 This report is submitted to Committee in terms of Section D(9) of the Council's Administrative Scheme relating to the provision of financial assistance to those engaged in industry or commerce.

2. RECOMMENDATION

2.1 Note the progress made by the LEADER programme during its first year.

2.2 Agree to pay the £3,250 yearly contribution to the Cairngorm National Park LEADER Programme from the Economic Development budget.

3. BACKGROUND

3.1 The Moray LEADER programme was launched in January 2009 after being awarded a grant of £1.84m, which when including match funding provides a fund worth around £5m for the period 2009 - 2013.

3.2 LEADER is a key element within the Scottish Rural Development Programme (SRDP). In Moray, the aim is to increase capacity of rural communities and small businesses through projects and initiatives that deliver community benefits.

The Moray LEADER, as set out in its Rural Strategy and Business plan, focuses on two themes with the following priorities:

1. Revitalising communities and
2. Progressive rural economy

The strategic priorities are:

- Sustainable communities
- Sustainable energy
- Innovative value added products
- Sustainable tourism development
- Innovative micro enterprises
- Versatile rural workforce
- Conservation of the rural environment

- 3.3 For any proposals for funding from the Moray LEADER Programme to be successful, the applications must meet any of the above criteria and contribute to the forecasted outputs and outcomes.
- 3.4 The Moray Local Action Group (LAG), which delivers the programme is a partnership of 16 members organisations with an equal mix between public and private sectors. Moray Council is the lead partner in the LAG and act as 'banker' for the LAG. A Service Level Agreement between the Scottish Government and the Moray Council sets out the role and responsibility of the lead partners.
- 3.5 The Moray LEADER excludes Elgin, because of population size and the area within the National Park.
- 3.6 Moray's National Park area of Tomintoul and Glenlivet communities have been part of the previous Cairngorm LEADER programme 2000 – 2006, and following consultation chose to continue in their new LEADER Programme 2007 – 2013, with The Moray Council having provided similar modest financial contribution from 2000 - 2006, as required for this present programme. Up to now the contribution has been met from departmental budgets, but it is felt that it would be more appropriate for the contribution to come from the Economic Development budget.

4. **SUMMARY OF ACTIVITIES OF MORAY LEADER PROGRAMME IN YEAR ONE**

LEADER has been promoted across Moray at a series of community events and seminars. A Moray LEADER website was launched in November 2009 and can be accessed via www.morayleader.org.uk. It provides information on the strategic priorities, the application process, approved projects and minutes of LAG meetings.

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| Total number of applications | 33 |
| Total number of approvals | 24 |
| Total amount of LEADER funding committed | £608,831 |
| Total amount of public match funding committed | £549,042 |
| Total amount of private sector funding committed | £395,183 |
| Total full time equivalent jobs created | 32 |

A finalised copy of the Moray LEADER Programme Annual Report providing full details on all activities will be placed in Members Support by the end of May.

5. **SUMMARY OF IMPLICATIONS**

(a) **Single Outcome Agreement/Service Improvement Plan**

The Moray LEADER programme contributes to the Single Outcome Agreement of the Community Planning Partnership with the Scottish

Government in respect of the outcomes allocated to the Greener, Healthier, Safer and Stronger, Smarter and Wealthier & Fairer Strategic Groups and the stated priorities of the Council's plan for 2008-11 in relation to Rural Development, the economy and jobs.

(b) Policy and Legal

None.

(c) Resources (Financial, Risks, Staffing and Property)

Financial

Under the SLA with the Scottish Government, the Council has agreed to provide Moray LEADER £100,000 per annum Match Funding for the duration of the programme from the Economic Development budget. The Council also agreed to provide in kind contribution of project management, financial administration, office accommodation and services, which are met from existing resources and departmental budgets.

Monthly meetings with Finance and Audit Teams have been arranged to ensure a clear audit trail and compliance with terms and conditions of the National LEADER programme.

Funding to the National Park LEADER Programme has historically been paid from departmental budgets and it is proposed to pay the £3,250 annual contribution from the Economic Development budget.

Staffing

The Moray LEADER programme employs 2 members of staff and any other required staff input can be met within existing staffing resources.

(d) Consultations

The Principal Accountant has been consulted.

6. CONCLUSION

6.1 Although the National LEADER programme and consequently our local programme was late in starting, the Moray LEADER programme is well on target in terms of committed funding. As in the previous LEADER Programme, it is expected that the present time frame maybe extended

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to account for the late start. Presently the Scottish Government is considering to transfer some its funding options under the SRDP to the local LAG's and the annual review meeting of the Moray LEADER strategy and business plan in May will take account of it. Overall the first year of operation has been highly successful in leveraging investment from a wide range of funding sources into Moray's rural economy.

Author of Report: Pierre Masson, Development Officer

Background Papers: David Watson, Moray LEADER Programme Progress Report, Correspondence, documents & request for Cairngorm National Park LEADER on file

Ref: PM/JC