

REPORT TO: AUDIT & PERFORMANCE REVIEW COMMITTEE

SUBJECT: MORAY LEADER PROGRAMME 2007-13

BY: DIRECTOR OF ENVIRONMENTAL SERVICES

1. REASON FOR REPORT

- 1.1 To provide a report on the Moray LEADER programme, including a review of the first year of operation.
- 1.2 This report is submitted to Committee in terms of the Council's Administrative Scheme in terms of section H19 relating to receiving reports on performance and trends.

2. RECOMMENDATION

- 2.1 **It is recommended that the committee**
 - i) **Scrutinise and note the content of this report**

3. BACKGROUND

- 3.1 LEADER is a key element within the Scotland Rural Development Programme (SRDP) 2007-2013. LEADER in Moray aims to increase capacity of rural community and business networks through projects and initiatives that deliver community benefit and reflect one or both overarching LEADER themes, namely Revitalising Communities and Progressive Rural Economy.
- 3.2 LEADER is funded by the European Agricultural Fund for Rural Development (EAFRD) and the Scottish Government with match funding from the public and private sectors.
- 3.3 The Moray Local Action Group (LAG, which delivers the programme was formed in 2008. The LAG prepared a rural strategy and business plan for LEADER funds, which was submitted to the Scottish Government. In September 2008 the Moray LAG was awarded LEADER funds of £1,837,500 and the programme was launched in January 2009 and will close on 31st December 2013.
- 3.4 The Scottish Government is currently considering the transfer of several other funding streams into the LEADER programme. These include SRDP Measure Codes 321 (Basic services for the economy and rural population) and 341 (Preparing and implementing a local development strategy) as well as EFF: Axis 4 (Sustainable development of fisheries areas). The financial and operational implications of these transfers into the LEADER Programme is unknown at this time.
- 3.5 **LAG Partnership** - The LAG is a partnership of 16 member organisations with a mix between the public, private and voluntary sectors and is chaired by

an independent person. Moray Council is represented on the LAG by the chair for Economic Development & Infrastructure Committee. Moray Council is the lead partner in the LAG and the Council acts as banker for the LAG through drawdown of EAFRD and domestic funds and disbursement of LEADER grants. A Service Level Agreement between the Scottish Government and Moray Council sets out the roles and responsibilities of the lead partner.

3.6 **LAG Area** - The area covered by the Moray LAG is the Moray Council area excluding Elgin and the area within the Cairngorms National Park. The total eligible population is 65,370 covering an area of 1858.21 km². Within this there is a split between the area to the west of the county which falls within the Highlands and Islands Convergence area and the area out with this designation. The Convergence area extends to some 1044.88 km² representing 56% of the proposed LEADER area and has a population of 21,799 representing 33% of the proposed LEADER population.

3.7 **LAG Strategy - Moray Key Priorities.** LEADER in Moray focuses on two overarching themes, namely:

- Revitalising Communities
- Progressive Rural Economy

The priorities the LAG strategy is focusing on are:

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

3.8 **Strategic Links** - The LAG strategy aligns well with National, Regional and Local strategies and in particular with Moray's Community Planning Partnership themes of Greener, Healthier, Safer and Stronger, Smarter and Wealthier and Fairer.

3.9 **Delivery of LAG strategy and Business Plan.** From the launch of LEADER in Moray to March 2010 it is evident that the LAG strategy is being delivered, demonstrated by:

- 100% of projects approved in the period relate to one or both of the overarching themes: Revitalising Communities and/or Progressive Rural Economy.
- 100% of the projects approved relate to one or more of the key priorities the LAG strategy is focusing on.

3.10 **Programme Delivery Year 1 : March 2009 to March 2010.** Applications are assessed in quarterly cycles. Once submitted, applications are checked for

eligibility and links to the LEADER Strategic themes and priorities. The applications are considered in full by the LAG and scored against a set of criteria selected by the LAG.

- 3.11 DMB (Decision Making Body) representation, a sub group consisting of members from the LAG, has delegated authority to approve projects with applications up to £10k.
- 3.12 One of the positive outcomes of the application and approval process is the strong buy-in and partnership towards projects. This is clearly demonstrated in the level of match funding that has been levered in. The maximum LEADER intervention rate on total eligible projects currently stands at 50%.
- 3.13 Summary of activities in Year 1**

Total number of applications	33
Total number of approvals	24
Total amount of LEADER funding	£608,831
Total amount of public match funding	£549,042
Total amount of private match funding	£395,183
Average Intervention rate	36%

These figures compare favourably with the projections in the Moray LEADER business plan which predicted £368,000 of LEADER commitment with £478,364 of Public and £81,783 of private match funding to this point. The LEADER business plan and strategy will be reviewed on an annual basis to ensure relevance to the needs of rural Moray. Updates will be reported to the Economic Development & Infrastructure Committee.

4. SUMMARY OF IMPLICATIONS

(a) Single Outcome Agreement/Service Improvement Plan

The proposal contributes to the Single Outcome Agreement of the Community Planning Partnership with the Scottish Government in respect of the outcomes allocated to the “Wealthier and Fairer” Group and the stated priorities of the Council’s Plan for 2008-11 in relation to the local economy.

(b) Policy and Legal

There are no direct policy or legal implications.

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

Finance – The council has committed £100k per year until 31st December 2013 from the economic development budget to the programme. This financial commitment is to be used as match funding, particularly in relation to convergence funding and administration costs. The council has also committed £140k of in-kind support over the length of the programme, which

acts as match funding and consists of staff cost for financial management, supervision and support services.

Risks – A full risk assessment was included in the Moray LEADER development strategy and business plan previously approved by the Council. Any ongoing risks will be monitored by the LEADER Manager and reported to the LAG.

Staffing – As part of the programme, two members of staff have been appointed as the work could not have been accommodated through existing staffing resources in the Council.

Property – The council provides accommodation as part of the in-kind contribution.

5. CONCLUSION

5.1 The Moray LEADER Programme 2007-13 provides an important strategy for the continued development of the rural economy in the Moray LEADER area. As part of the Scottish Rural Development Programme LEADER aims to promote economic and community development within the Rural areas of Moray. It is expected that LEADER will continue to promote applications from community groups who have local and innovative projects, with at least £300,000 of LEADER funding awarded to support such projects during 20010/11. The work through the LEADER programme will contribute to the economic development (national outcome 2) and potentially create further and better paid employment in Moray (local outcome 5).

Author of Report: David Watson, Moray LEADER Manager

Background Papers: LEADER strategy and business plan held in Member Support

Ref: