

REPORT TO: POLICY COMMITTEE ON 30 APRIL 2008

SUBJECT: EUROPEAN FUNDING APPLICATIONS

BY: DIRECTOR OF ENVIRONMENTAL SERVICES

1. REASON FOR REPORT

- 1.1 To seek the Committee's approval to contribute to European funding applications.
- 1.2 This report is submitted to Committee in terms of Section A (22) of the Council's Administrative Scheme relating to dealing with the management and investment of any funds.

2. RECOMMENDATION

2.1 It is recommend that the Committee:

- i) agrees a contribution of £116,500 from the Economic Development budget, split over 3 financial years towards 6 out of 16 Community Planning Partnership project proposals of a total value of £4,404,765.**
- ii) agrees to the Council fronting applications for European funding for the Voluntary sector**
- iii) nominates an elected member for the board of the Moray Bio Energy Centre**
- iv) submits the report to the Policy and Resources Committee on 30 April 2008 for approval**

3. BACKGROUND

- 3.1 Report on External Funding was submitted to the Environmental Services Committee on 10th October 2007 (para 16 of the minute refers), highlighted that West Moray (the Forres and Speyside area) is eligible for European Structural Funds under the Highlands and Islands Programme (Convergence Objective).
- 3.2 Approx. £7.5m from the H&I Programme, ERDF Priority 3 (enhancing peripheral and fragile communities); and ESF Priority 1 (increasing the workforce) are being made available to be shared on a competitive basis across Highlands Community Planning Partnerships, which includes part of Moray. Over a 3-year period, these funds will support projects of £50,000 to £500,000, which secure 60% match funding support from other agencies. Community Planning Partnerships will not be the recipients of grant, but the funds will be made available to support CPPs by contributing to integrated social inclusion / regeneration action plans across the Programme area.

- 3.3 Local Authorities are responsible for the submission of Community Planning Partnership plans, priorities and project proposals and all are required to demonstrate thematic or geographical integration addressing community regeneration.
- 3.4 It is expected that by late summer 2008, final plans will be approved and the lead applicant for any successful project will have to submit (approx. 2 months prior to any starting date) full details and confirmation of all match funding being in place.
- 3.5 The Community Planning Partnership, at its meeting of 13th March 2008, approved the following 16 proposals to be submitted under their new priorities with The Moray Council, Moray College, NHS Grampian and Crown Estate acting as lead applicants (see para 5c).

4. **THE PROPOSALS**

(Those proposals marked with an * are seeking Match Funding from the Economic Development Budget)

- 4.1 **Speyside Community High School BioMass** is a pilot project to replace oil-fired boilers heating systems for the school and swimming pool with a wood fuel heating system. A feasibility study concluded that, a bio-mass heating system would not only be a cost effective form of renewable energy, compared to oil or gas, but would also assist in reducing green house gas emissions and have the potential to stimulate local wood supply business. As previously reported to the Educational Services Committee on 4th April 2007 this project, if successful, could lead to the installation of more bio-mass heating systems throughout the local authority area. The project will create 1 job.
- 4.2 **Forres Bio-Mass Pilot project** is planned as part of a new build hospital for the Moray Health and Social Care Partnership, which will incorporate 2 GP practices, 15 hospital beds, a small casualty and ambulance service. The Carbon Trust's feasibility study on the proposed new building demonstrated, that a bio-mass system is the most suitable, saving 202t CO2 per annum and £16,524 per year in fuel costs. The Carbon Trust has also recommended several energy efficiency measures including ventilation, daylight and insulation. If successful, this pilot project will be rolled out to other health facilities.
- 4.3 **Moray Bio-Energy Centre *** is a Social Enterprise, recently set up to provide educational and research facilities in the production of renewable energy, using locally sourced products from Farm and Forestry for Community groups, as well as assisting in reducing fuel poverty. The Enterprise consists of members from UHI, NorBuild, Forestry Commission, Highland Birchwood and Forres Community Woodland and is requesting an elected member of The

Moray Council to become a board member. The proposal builds on a successfully delivered European Northern Periphery Programme (NPP) project by the Forestry Commission with a wood pellet machine being installed at NorBuild, a small hardwood sawmill. As the NPP project is now finished, a long-term lease agreement for the machine has been concluded between the Forestry Commission and The Moray Bio-Energy Centre. However to maximise its full potential, it is proposed to create a suitable building for the production of wood pellets, which also will be used as a training facility. It will provide additional storage, drying facility for wood chip and sawdust, conveyor systems for processing and production and provide the essential link for the above renewable energy projects. All income generated from the project will be re-invested into furthering the Moray Bio-Energy Centre's aims and objectives. The project will create 1.5 jobs.

- 4.4 **Renewable Energy in Community Assets *** - Highland & Island Enterprise is intending to carry out an energy audit on the community / village halls in West Moray to raise awareness of suitable renewable energy sources. The aim is to encourage a number of halls to install heating systems such as solar panels etc and achieve both economic benefit and a reduction in their carbon footprint. Based on the outcomes and success of this pilot project it is hoped to roll it out through the Lowland Upland Scotland area of Moray at a later stage.
- 4.5 **Dependent Care Facility** - This project will establish a multi-functional Mental Health Resource Centre in Forres. A building has been identified but requires conversion and adaptation to make it fit for purpose. This is a partnership between Moray Council and NHS Grampian to provide a hub to support vulnerable adults with mental health support needs. The aims of the Centre will be to:
- support beneficiaries with mental health issues so they are able to return to work
 - act as a hub for the development of Employment Support Services in the area facilitating access to basic skills development, vocational training, developing care skills, volunteering, and job search for working age adults with mental illness.
 - support beneficiaries so that they have the confidence and skills to remain in the workplace once employed.
 - support employers so that they in turn can offer jobs and ongoing support for beneficiaries with mental health issues.
 - support those with mental health issues, including dementia, and their carers so that they can remain living at home by providing a mixture of social care and planned treatment.
- 4.6 **Skills First** - The overall objective of this project is to assist 77 young people (aged 14 to 17), who are "at risk of disaffection from formal education" and therefore in danger of not entering employment, training or further education. The target group also includes young people who lack self-confidence and those with poor communication, literacy and numeracy skills.

A 2-year modular programme structured and paced to enable the young people to steadily develop their skills and experience will be offered over 2 x ½ days per week. This will take place during school hours but out-with the core school curriculum. Students will achieve awards and qualifications throughout the duration of the programme – qualifications include ASDAN awards, Certificate of Personal Effectiveness, Duke of Edinburgh Award and St Andrews First Aid Award. The expected outputs are 10 beneficiaries entering employment, 46 into education or training and overall 60 students achieving qualifications. The two main partners in the project are The Moray Council and Skill Force, a national voluntary organisation who will provide the beneficiaries' training. The project will also work closely in partnership with Careers Scotland and Learn Direct Scotland to ensure that the young people are signposted to receive the best support and advice possible.

- 4.7 **Forres & Speyside Centres** are conversion and adaptation of three community facilities at the Forres Learning Centre and on the campus of Speyside High School with a satellite venue on the campus of Rothes Primary School. All centres will enable the personal and social development of young people, parents / carers and community members living within the areas. The Centres will help fill the gap in support services and facilities and will be accessible during the day, evenings and weekends. They will offer increased opportunities for young people and adults to access training and employment opportunities alongside with a range of support programmes and accessibility to IT and childcare. Innovative approaches to job brokerage/matching and initiatives to encourage employers to understand the needs of vulnerable groups in entering and remaining in the workforce will complement the other proposals within the CPP's portfolio to contribute to integrated social inclusion and regeneration action plans.
- 4.8 **Findhorn Village Centre** *is a community resource providing a wide range of activities and is a base for several charities. It is planned to refurbish the existing hostel and expand the childcare facilities through a new building, which also would offer additional educational, training, health and leisure time activities. Adding a sustainable heating system through a ground source heat pump, which will be linked to a computer, will provide an additional educational and demonstration element. The proposal will increase child care provision by up to 20 new places, create 45 training places for Art, IT and Youth provision, with the hostel providing 26 residential places for visiting groups and overall directly creating 4 new jobs.
- 4.9 **The Moray College Greshop** * proposal will enable the extension of the existing small construction training facility in the Greshop Estate in Forres and be able to offer a greater range of specialist training. The facility would be equipped for training in building and construction using "green design principles". The existing site offers training in joinery and bricklaying. The new facility would be able to train local people in the market for building and repair techniques, specifically related to sustainable housing and buildings. There is a need for training in these new techniques to promote energy efficiency and the use of sustainable materials within the construction industry. Although

located in Forres the project will offer training to include the remote areas of Moray and complement the More Choices, More Chances proposal.

The computer provision would be extended to incorporate the use of all available training and information sources. As a direct result of the proposal during the project life span, it will create 20 jobs (through people being trained in new skills in the refurbished facility and new 4 FTE trainers)

- 4.10 **The More Chances, More Choices** project is in partnership with the Forres Learning Centre and will address the issue of 120 young people in the Forres and west Moray area, who are farthest from the employment market and who have multiple barriers to overcome to adjust to adult life. This 3 year project will work with young people who are at risk of involvement in crime, substance abuse and who lead chaotic lives that have prevented them from accessing existing education, training and / or employment opportunities. The proposal is one of the measures to provide a range of support mechanism for young people and dovetails with other Community Planning Partnership proposals. Training will be on offer in the construction trades, hospitality and care sectors and as a direct result see 40 participants into employment, 60 entering education or training with 100 beneficiaries gaining a partial or full qualification.
- 4.11 **New 50s** is a project which will provide training opportunities for 140 people over 50 years old and who are economically inactive to set up micro businesses in dry stone walling, heritage building, garden design, musical instrument repair and construction. The training will be provided throughout the West of Moray and will include PhotoShop training and courses in finance, marketing and business coaching. As a direct result it is anticipated that 60 beneficiaries will enter employment with 30 moving into further education and training, and 110 completing partial or full qualification.
- 4.12 **Out of the Darkness Theatre premises** - The Out of Darkness Theatre exists not only for professional performers and technicians, but also (as part of the organisations aims and objectives), for people with learning disabilities; providing a training facility to develop their skills and to increase their chances of employment. Due to the high demand, the proposal's aim is to create a Theatre Media space in Forres, that will enable additional performances and training programmes and will include sound and film editing, IT, presentations and delivery of SVQs. The premises will provide extra workshop space for rehearsal and an area for preparation of sets and paintings.
- 4.13 **Out of the Darkness Theatre training** - This training project will build on the success of previously delivered training programmes with European funding and provide skills in Information Technology, Film and Sound editing, PowerPoint/ Keynote Presentation, Technical and Performance. The beneficiaries will be up to 8 people, who have learning difficulties. The programme will include simulated and actual activities relating to particular events, performances and presentations. Participants will gain a range transferable skills such as confidence building, interpersonal and communication skills. The programme will take place 3 days per week with

additional days throughout the year for performances and presentations. As part of the programme the beneficiaries will create a presentation based on a media of their choice that they will present to employers, experts in the field of disability and policy makers about the stigma surrounding people with disabilities and problems facing them in areas including employment. Professional trainers will deliver the programme with extra support for any additional needs. Part of the 2-year training programme will involve work experience with theatre companies around the North of Scotland. The project aims for all participants to gain part or full qualifications, with 2 beneficiaries entering employment and 6 further education or training.

- 4.14 **Glenlivet Mountain Bike Trails** *- The main aim of this project is to develop the potential of the Glenlivet Estate as a centre for mountain biking, through the construction and development of a network of challenging off-road and downhill routes in the Glenlivet Estate forests, linking the already established cross country trail network of cycle tracks. It is recognised that the existing cross country trail network is challenging, diverse, well laid out and managed, but that it is insufficient in itself to attract large numbers of mountain bike enthusiasts, particularly those looking for more technically difficult downhill routes – which is where the growth in mountain bike demand and mountain bike technology lies.

The principal objectives of the project are to:

- Improve the economy of rural Moray and in particular to develop opportunities for all-year round outdoor activities which help support local businesses and improve the prospects for the Lecht Ski Centre – given uncertain and variable winter snow conditions.
- Attract additional visitors to the Tomintoul and Glenlivet area for the benefit of the areas tourism economy
- Stimulate the development of a privately operated mountain bike business to provide employment in the area
- Stimulate new forms of product and service development within local tourism enterprises
- Manage sustainable recreational activities in an environmentally sensitive way
- Support a diverse land-based economy, enhancing commercial, environmental and social infrastructure.

The two principal elements of these proposals are:

- Construction of an 8 mile downhill walking and cycling trail linking top of the Lecht Ski Centre chairlift with Tomintoul, following mostly existing hill, farm and forest tracks linked by paths to be constructed. This will result in the establishment of a downhill route linked with uplift facilities at the Ski Centre which will provide access for walkers and cyclists some of whom who might not otherwise be able to enjoy a mountain walking experience.
- Construction of a network of downhill mountain biking routes within the Glenlivet Estate forest areas, planned to provide challenging and technical routes which will attract a wide range of cyclists. It will link with existing

forest roads and estate tracks to provide a network of cycling trails on a scale not provided elsewhere in Moray or within the Cairngorms National Park.

A project feasibility study and preparation of a detailed plan is being undertaken and funded by the Crown Estate and HIE

- 4.15 **Tomintoul Experience** *– Tomintoul Museum, located in the village square, occupies former retail premises converted in 1978 to form a combined museum and tourist information centre (TIC) which have operated continuously in shared premises, opening on a seasonal basis from April to October. The TIC operates the usual range of visitor services, while the museum offers a range of interpretations including a reconstructed farmhouse kitchen; a reconstructed blacksmith's workshop; and static cases and panel displays on the local history, social history and natural environment.

The museum currently receives between 11-12,000 visitors each year, of which the overwhelming majority are visitors to the area, rather than local residents. There is strong local support for the museum and TIC presence, as they underpin the local economy by attracting visitors.

Visitor data (2006) indicates that there is potential for the museum and TIC to create a Tomintoul experience through:

- interpreting the local area in the context of both Moray and the Cairngorms National Park
- increasing usage of both facilities
- increasing repeat visits
- marketing Tomintoul as an interpretative entry-point to the Park and Moray
- networking with other interpretation centres in the Park area
- encouraging a longer stay (and higher spend) within Moray. thus supporting the local economy

Recent research by the Cairngorms National Park Authority identified a number of cultural heritage themes for interpretation in the Park, which are relevant to the Museum, and their commitment is reflected in their contribution as a partner to the proposed project. A local Steering Group has been formed with an interest in helping to guide any future development of the museum and TIC. It is proposed to draw up detailed plans for the conservation and adaptation of this community facility to be able to develop the project to its full potential, which also will complement the Crown Estate proposal.

- 4.16 **Dufftown and Rothes Learning Centres** - This project involves the conversion and adaptation of primary school facilities in Dufftown and Rothes to achieve integrated library and learning centres that will also act as community and community planning resource points and council service points. This forms part of a strategic approach for rural communities across Moray and applications for funding are planned for the Lowland Upland Scotland area for proposals in Fochabers, Lossiemouth, Hopeman and Burghhead.

The project is being developed within a community planning strategic approach to lifelong learning that seeks to establish a continuum of learning opportunities involving key partners and that recognises the essential need to

make learning opportunities and skills development available, targeted at a local level. The project will see the development of 2 e-skills/learning facilities and the development of 1 childcare facility (at Rothes).

Immediate impacts will be to: reduce travel, thereby encouraging more local involvement; provide an accessible locus and focus for learning, skills development and community involvement; and strengthen a strategic approach to the provision of targeted learning and a continuum of opportunities and relevant qualifications. Targeted groups will be supported to develop skills to move towards sustainable employment.

The project will:

- Ensure delivery by the Libraries Service and Moray College of ICT and other learning opportunities through a target approach to the unemployed, returners to work, reluctant learners, learners with access difficulties, general learners etc.
- Provide a base and appropriate space for Essential Skills literacy and numeracy, ESOL for migrant workers, parenting skills classes etc
- Provide access to distance learning
- Provide access to high speed 16MB Broadband
- Provide a meeting place and resource for heritage groups, art groups etc
- Provide a base for community consultation, information and involvement
- Better support children's learning through improved provision of learning and information materials
- Assist parents in supporting their children's learning, particularly those parents who traditionally have been harder to reach

5. **SUMMARY OF IMPLICATIONS**

(a) **Corporate Development Plan/Community Plan/Service Improvement Plan**

All proposals summarised in this report help to achieve the Corporate Plan objective to maximise opportunities from European, Lottery and other funding sources. They also support the Economic and Environmental Programmes in the Corporate Plan to "Support and develop local businesses, create an environment for sustainable growth through Council policies and actions, and in partnership with other bodies". All proposals contribute to the Council's new priorities of rural development, economic development and tourism and will be submitted to funders under the Community Planning Partnership plans and priorities.

(b) **Policy and Legal**

For projects, where The Moray Council is fronting the European Funding application, partnership agreements will be drawn up with advice from Council's Legal Service.

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

The total value of all the project proposals is £4,404,765 with a request for European Funding of £1,734,705 and Match Funding from a range of sources. Nine of the projects have a total of £557,200 from The Moray Councils Education Department budgets, capital plan and existing Service Level Agreement with the Community Services Department confirmed. The request for Match Funding from The Moray Council's Economic Development budget as outlined below and in Appendix I, is £116,500 divided over the 3 financial years as followed: £20,500 in 2008/09, £76,000 in 2009/10 and £35,000 in 2010/11.

As previously reported to committee, due to the key changes in the administration of the European Structural funds, it is proposed that The Moray Council front the European funding application for the Voluntary Sector, as it has the experience and application/monitoring systems. As a lead applicant, the Council would require to match fund the European contribution by a minimum of 5%. Experience has shown that the estimates for capital projects are often lower than actual tender amounts and at the present time construction inflation is particularly high. The Council must recognise that there is a risk that other partners will expect the Council to meet any shortfall in funding if the estimates are too low or if other funding sources do not prove to be successful. The Council may wish to consider setting a funding cap for each specific project listed within this report.

The 16 projects have the following financial and lead applicant implications and those marked with an * are seeking match funding from the Economic Development budget.

Speyside High School Bio-Mass pilot project

Lead Applicant: The Moray Council

Total Eligible Cost: £500,000

ERDF Grant Requested: £200,000

Match Funding:

£ 185,000 to be raised from sources such as Scottish Government, HIE, TMC

TMC: £100,000 Capital Plan approved at the Special Meeting of The Moray Council on 8 February 2007 (para 4 of the minute refers)

Further report regarding Match Funding and any other relevant issues will be submitted to the Education & Social Services Committee.

Forres Bio-Mass Pilot project

Lead Applicant: NHS

Total Eligible Cost: £285,000

ERDF Grant Requested: £114,000

Match Funding: NHS £171,000

***Moray Bio- Energy Centre**

Lead applicant: The Moray Council

Total Eligible Cost: £329,000

ERDF Grant Requested: £131,600

Match Funding: £157,400 from potential sources such as HIE, Big Lottery and Trusts

TMC: Request £40,000 from the Economic Development Budget split equally between 2009/10 and 2010/2011

***Renewable Energy in Community Assets**

Lead applicant: The Moray Council

Total Eligible Cost: £150,000

ERDF Grant Requested: £60,000

Match Funding: £87,000 from sources such as HIE, Community Energy Company

TMC: minimum legal requirement £ 3,000 from the Economic Development Budget 2008/09

Dependent Care Facility

Lead Applicant: NHS:

Total Eligible Cost: £200,000

ERDF Grant Requested: £80,000

Match Funding: NHS £120,000

Future report for any revenue implications will be supplied separately to the Education & Social Services Committee

Skills First

Lead applicant: The Moray Council

Total Eligible Cost: £135,000

ESF Grant Requested: £54,000

Match Funding: £81,00 The Moray Council, Education Department, 'Determined to succeed' budget and contributions from schools confirmed

Forres & Speyside Centres

Lead applicant: The Moray Council

Total Eligible Cost: £400,000

ERDF Grant Requested: £160,000

Match Funding: £240,000 - Further report regarding Match Funding from The Moray Council and any other revenue issues will be submitted to the Education & Social Services Committee.

***Findhorn Village Centre**

Lead applicant: The Moray Council

Total Eligible Cost: £500,000

ERDF Grant Requested: £200,000

Match Funding: £290,000 from a range of sources with a Big Lottery Fund – Growing Community Assets application in preparation

TMC: Request for £10,000 minimum legal requirement from the Economic Development Budget 2009/10

Moray College

***Greshop Proposal**

Lead applicant: Moray College

Total Eligible Cost: £199,100

ERDF Grant Requested: £79,640

Match Funding: £93,460 from other sources such as HIE

Moray College

TMC: Request for £26,000 from the Economic Development Budget £10,000 for 2008/09, £16,000 for 09/10 financial years.

More choices, more chances

Lead applicant: Moray College

Total Eligible Cost: £196,985

ESF Grant Requested: £78,794

Match Funding: £118,191 required from sources such as Moray College, HIE, TMC Education Department existing resources, Highland Employers Coalition

New 50s

Lead applicant: Moray College

Total Eligible Cost: £82,724

ESF Grant Requested: £33,089

Match Funding: £26,250 required from sources such as HIE, Job Centre Plus

Moray College: £23,385

Out of the Darkness Theatre premises

Lead applicant: The Moray Council

Total Eligible Cost: £500,000

ERDF Grant Requested: £200,000

Match Funding: £290,000 from sources such as Big Lottery, Trusts

TMC: £10,000 minimum legal requirement Community Services Department

Out of the Darkness Theatre premises

Lead applicant: The Moray Council

Total Eligible Cost: £86,956

ESF Grant Requested: £34,782

Match Funding: Out of Darkness Theatre & The Moray Council from confirmed existing resources

TMC: £1,740 minimum legal requirement Community Services Department

***Glenlivet Mountain Bike Trails**

Lead applicant: Crown Estate

Total Eligible Cost: £300,000

ERDF Grant Requested: £120,000

Match Funding: £150,000 from Crown Estate and sources such as Cairngorms National Park Authority, HIE

TMC: Request for £30,000 from the Economic Development Budget split equally between the financial years 2009/10 and 10/11.

Details of ongoing management and maintenance of the project will form part of the detailed project plan. The Crown Estate preference is for this work to be undertaken as part of a leasing arrangement with private business but with support from the existing estate ranger service.

***Tomintoul Experience**

Lead applicant: The Moray Council

Total Eligible Cost: £300,000

ERDF Grant Requested: £120,000

Match Funding: £180,000 from sources such as HLF, Cairngorn National Park Authority, HIE, TMC

TMC: Request for 7,500 from the Economic Development Budget 2008/09 towards the development cost of max. £15,000. The Cairngorms National Park Authority has agreed to meet upto 50% of the development cost. Following conclusion of the development phase a detailed report will be submitted to the Environmental Services and Education & Social Services Committees

Dufftown and Rothes Learning Centres

Lead applicant: The Moray Council

Total Eligible Cost: £240,000

ERDF Grant Requested: £88,800

Match Funding: £151,200 from The Moray Council, Education Department Capital Plan

Staffing: All the work described and proposed in this report is contained within existing staff resources.

(d) Consultations

Consultation on this report has been undertaken with the Principal Accountant, in regard to the budgetary information, the Community Planning and Development Manager regarding the project proposals and the Director of Education confirms that the funding attributed to Education have been approved.

6. CONCLUSION

- 6.1 Should the outlined proposals be successful, the funds being made available would be a significant contribution to the Community Planning Partnership's strategies and priorities to deliver integrated social inclusion and regeneration plans for the area.**
- 6.2 All the projects are in partnership with other organisations to maximise resources, stimulate new developments and improve services**

Author of Report: Reni Milburn, Principal Development Officer

Background Papers: Proposals, correspondence and reports on file in Environmental Services, Development and Planning Section

Ref: