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| Report to: | Enterprise Resources Committee |
| Date of Meeting: | 15 February 2012 |
| Report by: | Executive Director (Community and Enterprise Resources) Executive Director (Finance and Corporate Resources) |

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| Subject: | LEADER Programme 2008 to 2013 - Progress Report |
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update on progress in implementing the 2008 to 2013 LEADER Programme in South Lanarkshire; and
- ◆ seek approval to extend the temporary contract of the current Economic Development Officer (Tourism) within Regeneration Services.

2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the continued good progress being made in implementing the South Lanarkshire LEADER programme be noted
- (2) that the Council contributes £50,000 as match funding support to the LEADER Programme in 2012/ 2013; and
- (3) that the temporary contract of the current Economic Development Officer (Tourism) (0.6 FTE) be extended from 1 May, 2012 to 31 December 2013 subject to the match funding being agreed by the LEADER Management Board at its meeting on 29 February 2012.

3. Background

3.1. LEADER is part of the Scottish Rural Development Programme (SRDP) aimed at promoting economic and community development within rural areas. It is funded by the European Union and Scottish Government to encourage new and experimental approaches to rural development.

3.2. LEADER is a bottom-up, grass-roots method of delivering support for rural development through implementing a local rural development strategy. Support is aimed primarily at small-scale, community driven projects that are innovative in nature. The programme is currently two-thirds through its delivery phase.

4. Programme Delivery

4.1. The performance of the South Lanarkshire LEADER Programme continues to be amongst the top rated in Scotland. Demand continues to emerge from small community projects within the LEADER programme area for support. The original LEADER Programme budget award of £1.47 million was supplemented by a further £510,000 in August 2010 transferred from the Scotland Rural Development

Programme (SRDP). Currently 80% of the programme is committed; with 60% spend having been achieved.

4.2 The Scottish Government has advised that they are considering revising allocations to LEADER Action Groups (LAGs) in February / March 2012. It is likely that two of the criteria used to assess allocations will be:-

- Spend as a proportion of the indicative allocation, and
- Commitment forecast to the end of the programme.

4.3 South Lanarkshire may benefit from this reallocation as it did under the former LEADER+ programme. However, that would be dependent upon the extent to which the level of spend and commitment can be managed until the end of the programme and on the LAGs ability to identify additional match funding, which may be difficult in the current climate.

4.4. The LEADER programme consists of a number of schemes which operate alongside the main fund programme. Funding commitments allocated by these schemes from 2008 until now are as detailed below. Integral to the ethos of the LEADER programme is a requirement to identify match funding to support applications. Money levered in through match is highlighted in brackets for each of the schemes:

- LEADER Main Programme to support innovative and pilot projects aimed at improving the quality of life in rural areas. £428,372 committed (£1,205,151 match secured)
- Rural Capital Grants is a scheme to assist business based in the rural area with capital expenditure. £192,629 has been committed (£205,156 match)
- Rural Tourism Development is a scheme to develop tourism activity in the rural area. £143,626 committed (£143,626 match)
- Rural Heritage is a scheme that aims to assist in the development of projects that support under utilised cultural and heritage assets. £50,000 committed (£50,000 match)
- Developing Local Communities is a scheme to help build the capacity of community groups and voluntary organisations. £127,511 committed (£297,515 match)
- Market Towns Initiatives is a scheme that provides hands on support programme aimed at developing more effective town centres. £98,698 committed (£106,130 match).

A summary of the detailed funding decisions taken since the scheme began is available upon request and is reported to the Rural Task Force on an ongoing basis.

4.5. A decision was taken at a meeting of the South Lanarkshire Rural Partnership on 22 March 2011, to extend the LEADER programme to 31 December 2013. This enables support for local community projects to continue to the end of the national LEADER programme.

4.6. As a consequence of the decision to extend the programme, the contract with the Rural Development Trust (RDT) to deliver the administrative and management arrangements for the LEADER Programme was also extended to 31 December 2013. The contract will continue to provide support at existing levels for 2011/12 and 2012/13, with support tapering in the final 9 months of the programme recognising that this period is more related to final claims submissions rather than project animation. This is in line with the original terms of the contract awarded in May 2008.

5. Audit of the programme

5.1. The Programme has been the subject of five audits in the last calendar year and this level of activity is likely to continue to the end of the Programme. This is placing a large administrative burden on RDT and the Council that was not clear at the outset of the Programme and is being taken up in discussions with Scottish Government. Although very positive to a large extent, these audits have highlighted some issues that require action and adjustment of operating practices and these are being addressed. These include

- **Clarity of match** - in particular from the Council. LEADER has been very successful in the past in securing SLC match funding, however this has required a flexibility of approach as the local authority budget often cannot be committed more than 12 months in advance. The Council has committed £50,000 in 2011/2012 for match funding and is proposing £50,000 for 2012/2013.
- **Administrative checks** - a substantive number of these are now required. These fall into three separate categories and require to be carried out in part by individuals not previously involved in the decision making process or project development process. This will be addressed by staff within the Council and within the RDT.

5.2. The audits have focused on projects for which the Council is the applicant and managing partner. South Lanarkshire is not being singled out for attention; rather this is as a result of the EU Court of Auditors report on Leader+ which identified issues across the EU Leader+ Programme of potential conflict of interest where the same organisation is responsible for both overall Programme financial management and project implementation.

6. Beyond 2013

6.1. As the current LEADER Programme moves towards completion the focus will shift to considering the nature and extent of the 2014-20 Programme and the contribution LEADER can make to rural development across Scotland. What is clear is that the LEADER approach will continue to be an important component of EU rural development policy and that area based community led development strategies will be a key feature. This could see more integration between funding streams such as ERDF and EAFRD [European Agricultural Fund for Rural Development], and a devolved decision-making process based on Community Planning Partnerships. This is to be welcomed.

6.2. The Scottish LEADER LAGs have prepared a showcase document that identifies the key elements of the LEADER approach and showcases some best practice projects. This features three projects from South Lanarkshire and is also available both in hard copy or pdf format upon request.

7. Employee Implications

7.1. It is proposed to extend the current Economic Development Officer's (Tourism) temporary contract (0.6FTE) which expires on 30 April 2012 to the 31 December 2013. An application for 50% match funding to extend this post until December 2013 will be considered by the LEADER Management Board at its meeting on 29 February 2012. Extension is sought subject to this funding being granted/awarded. This approval is sought prior to the LEADER Management Board meeting on 29 February 2012 as the postholder's current contract terminates prior to the next Committee meeting.

| Post Title | Current no. of posts | Grade/Level | SCP Range | Hourly Rate | Annual Pay | Total Cost (inc on costs 27.7%) |
|--|----------------------|-------------|-----------|-----------------|-----------------------------|---------------------------------|
| Economic Development Officer - Tourism | 1 (0.6 FTE) | G3 L8 | 75-80 | £18.60 – £20.03 | £36,552 £21,931 pro rata | £28,007 pro rata |

8. Financial Implications

- 8.1. The anticipated annual costs for this 0.6 FTE post are £28,884. The Council's match funding amounting to 50% of these costs can be accommodated within existing and future budgets held within Enterprise Resources. The proposed £50,000 match funding support can also be secured from existing resources.
- 8.2. In respect of all other LEADER activity. Match will be secured from partners including Scottish Natural Heritage, UK Steel Enterprises and the Renewable Energy Fund.

9. Other Implications

- 9.1. There is a risk that the LEADER Management Board may not approve the application for funding to extend this post. Should this arise the existing temporary contract for the member of staff noted above will terminate at the end of April 2012.

10. Equality Impact Assessment & Consultation Arrangements

- 10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.
- 10.2. Consultation has taken place with all Rural Partnership partners as appropriate.
- 10.3. Consultation with Trade Unions has taken place.

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31 January 2012

Link(s) to Council Objectives

- Support the local economy by providing the right conditions for growth, improving skills and employability
- Tackling disadvantage and deprivation
- Sustainable development

Previous References

- Enterprise Resources Committee – 20 October 2004

List of Background Papers

- South Lanarkshire LEADER Programme Strategy Document 2008 to 2013

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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