

LEADER+ (SCOTLAND)
PROGRAMME MONITORING COMMITTEE:
Thursday 13 May 2004, Sabhal Mhor Ostaig, Isle of Skye

Present

Jim Millard (Convenor)	Scottish Executive
Helen Betts-Brown	SCVO
Frank Burns	South Lanarkshire LAG
John Grieve	UK Leader+ Network
Bryan McGrath	Scottish Borders LAG
Richard Robinson	Scottish Natural Heritage
Joyce Simpson	Cairngorm LAG
Melvyn Waumsley	Highlands & Islands Enterprise

In attendance

Markku Viitaniemi	European Commission
Tanja Viljanen	European Commission
Helen McNeill	Scottish Executive
Brian Wither	Scottish Executive

Apologies

Neil Ferguson	Scottish Enterprise
Tony Fitzpatrick	Dumfries & Galloway Council
Frank Gaskell	Highlands & Islands Enterprise
Jane Thomas	Northern Isles LAG
Gill Wylie	Scottish Executive

1. Welcome and Introduction

1.1 The Convenor opened the meeting by welcoming everyone to Sabhal Mor Ostaig, the Gaelic College on Skye. The college had been developed with the assistance of Objective 1 funding and continued to benefit from Highlands and Islands Special Transitional Programme (HISTP) funding. A warm welcome was extended to Tanja and Markku from the European Commission.

1.2 The Convenor asked Brian Wither to outline the day's proceedings. Brian explained that this meeting would allow an opportunity to have a look at the improving financial picture of Leader+ and allow a first look at the 2003 Annual Implementation Report (AIR).

2. Apologies

2.1 Apologies were noted from Neil Ferguson, Frank Gaskell (but Melvyn was welcomed in his place), Jane Thomas and Gill Wylie.

3. Minute of last meeting -1st March 2004 and matters arising

3.1 The minute of the last meeting was confirmed and the Chair asked if there were any matters arising.

3.2 Brian Wither noted that the Programme Complement is now with the Commission and payment of the Scottish Executive's first expenditure declaration to the Commission can now be made. Markku Viitaniemi confirmed that payment was imminent.

3.3 The Mid Term Evaluation (MTE), which was circulated previously to Programme Monitoring Committee (PMC) members, has been accepted by the Commission and the Action Plan resulting from that Evaluation was tabled for discussion. Part of the Action Plan was to deliver workshops on the Monitoring Framework devised by Hall Aitken Associates. These workshops were run in both Inverness and Glasgow and were well attended by the Local Action Groups (LAGs). The next PMC meeting will consider progress on the implementation of the Action Plan

3.4 Brian Wither stated that approaches have been made to Ministers to raise the profile of Leader+ across Scotland. It has been flagged up specifically for the Deputy First Minister and the Deputy Minister for Enterprise and Lifelong Learning to include visits to Leader+ projects in their summer tours, but all Ministers will be briefed. Once details of the summer tours are finalised, the Scottish Executive will ask for project suggestions from the relevant LAGs.

Action Point - Scottish Executive to circulate the Monitoring Framework

Action Point - next PMC to review progress towards targets in the Action Plan

Action Point - Scottish Executive to ask for project suggestions for the summer tours from the LAGs once the tours have been finalised

3 N+2 Update

3.1 Overall, the finances of the Programme are moving in the right direction and PMC members endorsed the message from Brian Wither that the Committee should be confident of achieving targets.

3.2 Two papers were tabled, the first showing the financial picture after quarter one of 2004. Total expenditure was £2.2 million which represents 40% of the target and is not as good as was hoped. The second paper showed the position as of May 11th but was incomplete as 4 LAGs had not submitted their monthly updates. However, paper 2 showed a welcome further £140k of expenditure, or 43% progress towards the 2004 target. Commitment is also increasing, adding to the positive picture.

3.3 Brian Wither confirmed that the tables highlight only Leader+ expenditure and not the overall expenditure of the Programme. The Convenor also noted that N+2 counts for the

whole programme and while the PMC is interested in the overall picture, it is interesting to see the constituent elements.

3.4 The Convenor asked the Commission officials if there could be any flexibility in the application of intervention rates, especially in Action 2 where it would be a means of encouraging activity. An example would be to offer an intervention rate of 70% for an Action 2 project as long as the intervention rate of the programme averaged out at 45%. However Markku Viitamemi pointed out that intervention rates could only exceed 50% in Objective 1 areas (up to 75%) and would have to remain at 50% or below in non-Objective 1 areas. It was agreed that it may be better to manage flexibility within multi-year projects, front loading the grant and bringing it back to the average rate by the close of the project rather than spreading the burden to other projects.

3.5 The Convenor confirmed that there is flexibility as long as the programme intervention rate is respected. It is important to have an incentive for transnational projects, so lower intervention rates can be applied to Action 2 projects which are between Scottish groups.

3.6 Markku Viitaniemi advised that flexibility in the application of intervention rates should first be discussed with the Commission and also documented. It should also be explained in the AIR.

3.7 The PMC asked Brian Wither how confident he is on the quality of the expenditure data supplied by the LAGS. He confirmed that he is confident that the expenditure data was sound, but expressed uncertainty about the commitment data as there appears to be some differences in interpretation. Both the Convenor and Brian also highlighted that the PMC can be confident of the systems that are in place as there have been 4 VAC visits and two monitoring visits carried out. Further visits can be targeted where and if any problems arise.

3.8 The PMC discussed ways in which it could promote both better financial recording and a more rigor in reporting. It was agreed that it would be helpful to restate to LAGS what the Executive needs to see on monthly financial reports and what is meant by 'commitment'. Some LAGs may be recording as commitment aspirational projects rather than real commitment. It was agreed that it would be helpful at LAG level to record both aspirations and real commitment and share this information with the Executive to allow accurate monitoring of financial progress. This would allow for both types of commitment to be recorded and also highlight if there are any trends in projects that do not make the transition from being aspirational to real. Where problems arise, the Managing Authority will work with the LAGs to undertake remedial action, but the Convenor noted that it would not be helpful to pre-empt problems, instead it would be better to wait for the full picture from the LAGs.

3.9 Bryan McGrath noted that it would be helpful for the PMC to see financial reports representing trends rather than just in tabular form.

3.10 Markku Viitaniemi noted that Match Funding (MF) should be made up of both public and private and was concerned to see no private MF on the first expenditure declaration made to the Commission. Brian Wither responded that there was no private MF as declaration was based on administration expenditure only which did not attract assistance from the private sector. The next declaration, currently in preparation, will include private match-funding.

3.11 Richard Robinson highlighted that there is a need for a strategic approach to ensure MF. This is an issue of national importance especially for the transnational element of Leader+ and it is thus imperative to get strategic buy in. The Convenor endorsed this point and noted that the Executive could be more proactive in facilitating Action 2 projects. He asked Helen McNeill to widen the Executive's Interreg Network to include the LAG coordinators.

3.12 The Convenor thanked Brian Wither for preparing the papers and summed up the main points:

- Scope to improve financial monitoring
- Scope to monitor trends and assist in closing the gap between aspirations and real commitment
- LAG focus on Action 1 should be shifted towards delivering and, with Action 2 representing more of a challenge, activity should be facilitated and encouraged
- Welcome Richard's point that there needs to be a strategic approach taken
- Scottish Executive to look at methods of varying grant rates - with clearance from the Commission
- Ask LAGs to present their monthly financial reports showing trends - try to get May's figures on this basis.

Action Point - Scottish Executive to develop a proposal on application of higher and lower intervention rates and confirm this with the Commission

Action Point - Scottish Executive to publish monthly financial reports to the PMC

Action Point - Scottish Executive to ask for financial data from LAGs to also be presented in trends and take the opportunity when asking for this to restate what is meant by commitment.

Action Point - Helen McNeill to widen the Interreg Network to include LAG coordinators

4. AIR

4.1 The Convenor asked for general feedback on the AIR at the meeting and for detailed feedback or drafting points by the end of May, this would allow one week for the Executive to make changes and the PMC to approve the final copy by written procedure prior to the end June deadline for the AIR to be with the Commission. He also noted that in the section on monitoring of average grant rates the words used in the HISTP AIR would be transferred to the Leader+ AIR. Brian Wither noted that there were incomplete sections, but the purpose of today was to consider the existing content and identify any missing elements. He further noted that the Executive summary of the MTE and the Action Plan will be added - the Commission confirmed that the Action plan could be included in the 2003 AIR.

4.2 General point raised were that the AIR was too heavy on socio-economic detail with little about Programme management or what the LAGs are engaged in, to address the latter point it was suggested that LAGs provide a summary of their activities and these can be annexed to the AIR. It was also commented that the AIR lacked the rural emphasis demanded by Leader+. Frank Burns suggested that this could be achieved by rural mapping and in

particular highlighting the 'new' rural areas. Tanja Viljanen noted that whilst the AIR does address relevant regulations, it seems to lack character. Tanja also noted that on pages 23 and 24 the AIR states that there were 'no significant problems' but this does not agree with the MTE. Tanja highlighted that the AIR was the place to recognise problems and also to report on solutions.

4.3 Jim Millard asked the Commission if it would be possible to remove the obligation, stated on page 23, to carry out an Ex-post Evaluation. Tanja Viljanen noted that the Regulations require an Ex-post to be carried out, but it could be carried out in aggregate with other programmes similarly to those carried out for the 5B programmes.

Action Point - feedback from the PMC by the end of May

Action Point - Scottish Executive to look at the structure of the AIR and cut down the socio-economic analysis and build up the rural elements.

5 Monitoring and Evaluation Framework

5.1 Brian Wither commented that this agenda point had already been covered in some detail, but did again highlight the achievements and confirmed that the Monitoring Framework will be sent to PMC members.

6 EC Leader+ Steering Group

6.1 The main points from the Steering Group were as follows-

- Round table update on progress demonstrated most Member States confident of achieving N+2 IN 2004 except for Spain.
- Raised joint claiming procedures at both steering group and Managing Authority meetings, but there was no interest. If Scottish LAGs wish to develop within Scotland will consider.
- Of accession states only 6 will use Leader+ type measures (article 33 of 1257/99) Cyprus, Latvia, Hungary, Estonia, Lithuania, Poland, Slovenia and Slovakia – more than 6 but those quoted as using measures.
- For 2004 mostly about building skills and developing LAGs, 2005 before LAGs in place and operational – likely to be too late for joint projects but can approve up to December 2006.
- Future – some debate on how Leader+ should be mainstreamed – recommendations included
 - separate action/measure for Leader+ in Rural Development fund
 - clearly defined budget – minimum amount instead of percentage
 - maintain cooperation element

7 UK Network

7.1 John Grieve noted that the Steering Group members for Scotland have changed and are now confirmed. Bryan McGrath is still on this group with Lesley Arnott as the alternate and Nicole Wallace is a new member with Barbara Gear as the alternate.

7.2 Previous events:

Chester - Valuing Local Knowledge

This event was developed for LAG members only. Members considered it to be a success and future events will contain separate elements for LAG members and officers.

Hereford - Facilitation Training

Excellent event which was well attended and received.

Ballater - Working with Rural Communities

A new methodology was adopted for this event which was well oversubscribed and received positive feedback. The changes to the format were forced both by feedback from the UK Steering Group and internal LRDP thinking.

7.3 Forthcoming events:

15-17th June Limivady, Northern Ireland – National Conference - Developing Rural Social Enterprises.

28 – 30th October, Buxton, England – National Workshop – Sustainable Tourism and Recreation for Rural Development.

7.4 Scotland specific events

- A Facilitation Training Event has been planned
- Future of Rural Development - ongoing discussions with the Scottish Executive
- John attended an event in Bremen on local foods making 20 project contacts

7.5 Network Changes

The LRDP website will be relaunched at the Northern Ireland event. New methods are also being adopted for all events with a clear difference workshops and conferences.

Susan Grieve is now Events Manager for LRDP and John has an expanded role in the network. LRDP will also be making more use of subgroups.

8. AOCB

8.1 Concern was expressed by the PMC of the continuing non attendance of SEERAD and Scottish Enterprise. With both being of major strategic importance, members were

anxious to get SEERAD and Scottish Enterprise back at meetings. It was agreed that along with the Scottish Executive pursuing this issue, members could raise this at any other meetings with officials from these two areas.

8.2 The LAG membership on the PMC was discussed. Most members expressed the view that continuity of membership would be helpful, though the Scottish Executive will reflect on this and discuss further at the next meeting.

8.3 Helen Betts-Brown noted that on the 24th May £12 million of funding will be launched through the Social Economy Fund. This may be a valuable source of MF for LAGs.

8.4 Brian Wither confirmed that revised business plans had been received from 5 LAGs, this was the method by which LAGs should bid for the additional monies available through Indexation. Previously the intention had been to involve the PMC in consideration of the bids but as there were LAG members on the Committee it was agreed that the Executive would consider the bids and seek Ministerial approval for increased allocations and inform the PMC of the outcome of the deliberations.

8.5 Frank Burns offered to host the next PMC in South Lanarkshire, possibly at the Heritage Centre in New Lanark. The date is still to be finalised, but it will be in the last week of October

8.6 The Convenor closed the meeting by thanking all for their input, particularly Brian Wither, Markku and Tanja and Helen McNeill.

Action Point - Scottish Executive to consider LAG representation on the PMC

Action Point - Scottish Executive to confirm date and location of the next meeting

**SCOTTISH EXECUTIVE
MAY 2004**