

**MEMORANDUM OF AGREEMENT
BETWEEN**

CAIRNGORMS LOCAL ACTION GROUP and having their Office at 14 The Square, Grantown on Spey PH26 3HG (hereinafter referred to as the “CLAG”), and any subsidiary and / or incorporated entity of the CLAG

And

CAIRNGORMS NATIONAL PARK AUTHORITY being a National Park Authority incorporated under the National Parks (Scotland) Act 2000 and having their Principal Office at Fourteen The Square, Grantown on Spey PH26 3HG (hereinafter referred to as the “Authority”).

This MEMORANDUM OF AGREEMENT is hereby made and entered into by the Authority and the CLAG.

DEFINITIONS

The following terms appearing in this Memorandum of Agreement are to be interpreted solely in line with the following definitions.

Community Led Local Development	Means a method for involving partners at local level, including the civil society and local economic actors, in designing and implementing local integrated strategies that help their areas make a transition to a more sustainable future.
National Park Partnership Plan	Means a 5 year plan (or such period as is determined by the Authority) setting out how the Cairngorms National Park will be managed and which demonstrates how the public sector, businesses, land managers and communities will continue to come together to help keep these national assets special and achieve the four aims of the National Park - benefitting both the people of Scotland and visitors alike
“Local Development Strategy”	Means a document which sets out the investment priorities, agreed following consultation within the area, for Community Led Local Development within that area and which will be delivered by a Local Action Group (LAG)

PURPOSE

1. This agreement explains the respective roles and responsibilities of the Authority and the CLAG in the development, delivery and management of a LEADER funded programme within the Cairngorms National Park.

STATEMENT OF MUTUAL BENEFIT AND INTERESTS

2. The CLAG and the Authority seek to support Community Led Local Development and through that development activity contribute to delivery of the Cairngorms National Park Partnership Plan (CNPPP).

3. The four statutory aims of the National Park are set out in the National Parks (Scotland) Act 2000. The Cairngorms National Park Authority works together with others to ensure that the unique aspects of the Cairngorms National Park - the natural environment, the cultural heritage, the local communities - are cared for, sustained and enhanced. While to an extent the Authority is assisted in meeting all four statutory aims through its support to the operation of LEADER and the work of the CLAG, the statutory aim of promoting sustainable economic and social development of the area's communities stands to be very directly benefited by and of relevance to the work of the CLAG. The Authority also will benefit from the wider networks and delivery mechanisms formed to establish and deliver the Local Development Strategy.
4. The CLAG in developing and delivering its Local Development Strategy seeks to benefit from the range of expertise available within the Authority, both directly in assisting with the operation of the CLAG, its systems and procedures, and in advising on the technical considerations arising in considering the merits of funding application. The CLAG also seeks to benefit from the support of the Authority in acting as the employing organisation for its staff and providing all associated employment benefits and processes, for example pensions provision, health and safety management, and line management structures.
5. In developing its governance and administration arrangements, the CLAG may also decide to establish an incorporated charitable entity – a Cairngorms Local Action Trust (CLAT). Separate consideration by both the CLAG and the Authority has identified that there are potential benefits for both groups from establishment of such a Trust, in terms of enhanced governance and control arrangements, and the availability of organisational infrastructure within the National Park to transparently receive and disburse other financial contributions made toward delivery of the CNPPP. This Agreement therefore also sets out the responsibilities of the Trust which may be established by the CLAG during the period of the agreement.

RESPONSIBILITIES OF PARTIES

CAIRNGORMS LOCAL ACTION GROUP

6. The CLAG's responsibilities will be to:
 - a. have oversight of the Local Development Strategy (LDS) and business plan, ensuring that LEADER investments are made commensurate with the LAG business plan to achieve the outcomes in the LDS;
 - b. ensure appropriate arrangements are put in place to "animate" (encourage / support / make happen) community led local development in line with the LDS and to be proactive in commissioning specific community support for Cairngorms communities where gaps in that animation support are identified;
 - c. define funding and project selection criteria commensurate with the requirements of the Local Development Strategy and Cairngorms LEADER business case;

- d. prepare and publish calls for project proposals and procedures for project submission and evaluation;
- e. consider community led development ideas and project proposals and determine whether they are eligible for and merit funding from Cairngorms LEADER finances;
- f. consider development of regional, national and / or international partnership and collaborative activities that can bring real benefit to community development within the Cairngorms' communities (a minimum 10% of LEADER funding allocation must be spent on such activities);
- g. ensure the LAG, as responsible body for investment of LEADER funding, is maintaining appropriate relationships and communications with other key stakeholders interested in community led development in the Cairngorms;
- h. monitor the delivery of the LDS and LEADER business plan in terms of investments made and delivery of outcomes as assessed against adopted key performance indicators;
- i. commission project delivery and specific outcomes where monitoring of LDS and LEADER business plan delivery indicated there are significant gaps in delivery from community led projects coming forward;
- j. support the LAG chair and accountable body's lead Director in ensuring appropriate administrative and technical support is in place to support effective operations of the LAG;
- k. undertake regular reviews of governance and technical arrangements for delivery of the Cairngorms LEADER programme, ensuring CLAG membership remains appropriate to needs and that recruitment and appointment to the CLAG is undertaken in a transparent manner;
- l. establish such sub groups of the CLAG as are deemed necessary to support effective and efficient delivery of the Cairngorms LEADER business plan and Local Development Strategy, ensuring that any sub groups created have clear terms of reference and levels of delegated authority agreed by the CLAG.
- m. establish appropriate onward reporting mechanisms to ensure CLAG decisions are clearly communicated to any superior accountable body to support any final verification of eligibility and / or approval for funding prior to commissioning.

CAIRNGORMS LOCAL ACTION TRUST (CLAT)

7. The following section covers provisional terms of reference for an incorporated entity which may act as the body taking on final responsibility for verification of eligibility of proposals and taking on accountability for the operation of LEADER within the Cairngorms. The CLAG will take a final decision on whether to establish such a body by the end of 2014 or early 2015.
8. The Cairngorms Local Action Trust (CLAT) as a formally incorporated legal entity will take on the legal identity of all Cairngorms LEADER operations (and any additional responsibilities that the Directors of the Trust may accept). The Directors of the Trust will consist of a sub-set of the Cairngorms LEADER LAG members, to include the Chair of the CLAG and the responsible Director of the accountable body. The key responsibilities of the Trust will be to:
 - a. Monitor the income and expenditure position of Cairngorms LEADER and set operational budgets for the CLAG to operate within;
 - b. Resolve any disputes arising from CLAG funding decisions as the final point of appeal on any LEADER funding decisions;
 - c. Ensure that adequate action is taken to monitor and evaluate the delivery of the Cairngorms Local Development Strategy and Business Plan;
 - d. Ensure appropriate and effective control arrangements and operating procedures are in place to meet any regulatory and technical requirements of the Trust's activities;
 - e. Take forward, as the responsible legal entity, the direct commissioning of any project activities in delivery of the LDS and business plan, considering recommendation of the wider LAG in finalising any such direct commissions;
 - f. Oversee any required financial, audit and legal returns required of the entity in discharge of its legal status ensuring such returns;
 - g. Administer the acceptance and disbursement of any wider financial donations, according to any specific terms associated with each donation, and in a way whereby the disbursement of funds is transparent and makes a contribution to the delivery of the agreed National Park Partnership Plan for the Cairngorms National Park in place at the time of committing expenditure.

THE AUTHORITY

9. The Cairngorms National Park Authority (CNPA) as accountable body for the Cairngorms LAG is responsible for the receipt and effective stewardship of all LEADER resources made available by Scottish Government as the Managing Authority (MA). The CNPA supplies cash flow financing for the CLAG and provides support on financial and management accounting, creditor payments, and grant disbursements.

10. The Accountable body also acts as the employing organisation for any staff required by the LAG and Trust in discharge of their responsibilities. As such, the CLAG administration team are all effectively CNPA employees, with access to the standard terms and conditions of the CNPA, while being directed for 100% of their time on LEADER operations.
11. The accountable body must also deliver any specific services and provide such facilities as are set out in a service level agreement (SLA) between the Managing Authority and Accountable bodies. The nominated Director will have lead oversight of delivery against service level agreement requirements and will liaise as necessary between the CLAG and accountable body in effective discharge of the SLA.
12. The CNPA as accountable body will appoint a Director as the responsible senior manager for oversight and discharge of its obligations as accountable body to the CLAG. The nominated Director will be a member of the CLAG as a Vice Chair and will take lead responsibility on behalf of the accountable body and CLAG for liaison with the Managing Authority. The nominated Director will also typically be a Director of the Trust.
13. This CNPA's appointed Director will be the Director taking lead responsibility for fulfilment of the terms of the Service Level Agreement between the accountable body and Scottish Government (or equivalent agreement). The Director's primary role will be to offer technical advice on matters such as governance, finance, audit and human resources and will, as far as possible, be independent of the delivery and policy elements of the CNPA in order to protect the independence of the operation of the CLAG.
14. The Accountable body Director, along with the Programme Manager, will be responsible for ensuring the CLAG is aware of key matters relating to national management of LEADER across Scotland and any consequences this may have for the Cairngorms LEADER programme.

CAIRNGORMS NATIONAL PARK AUTHORITY BOARD

15. As the organisation with statutory responsibility for coordinating development and delivery of the National Park Partnership Plan (NPPP) for the Cairngorms National Park, the Board of CNPA has a significant interest in the operation of the CLAG given its significant contribution to meeting the aims of the National Park and the priorities set out within the NPPP. The Board will therefore have the capacity to nominate an appointee to the CLAG, in addition to the Accountable body Director, to ensure there are effective linkages in place between these two bodies.
16. The CNPA Board also accepts responsibility as the corporate body for all responsibilities placed on the organisation as a consequence of its role as accountable body.

REVIEW OF AGREEMENT

17. This operation of this agreement shall be reviewed annually by the CLAG with any matters arising communicated to the Authority through the CLAG Chair and the

lead Director of the accountable body. The Authority shall be expected to review and respond to those matters arising within 30 working days and respond to the CLAG appropriately on the conclusions of its review.

18. The operation of this agreement may also be reviewed separately by the Authority and any matters arising communicated to the CLAG through the lead Director of the Accountable body. The CLAG shall be expected to review and respond to those matters arising within 30 working days and respond to the Authority appropriately on the conclusions of its review.
19. Any adopted variations to this agreement shall be in writing, either in the form of jointly adopted addenda to the agreement or in the form of a fully revised and signed agreement.

COMMENCEMENT AND TERMINATION

20. This agreement will take effect on 15 December 2014 and shall terminate on 31 March 2021.
21. Either party shall be entitled to terminate this agreement on giving 6 months notice in writing to the other parties.
22. Prior to any such notice being issued, and cause which may give rise to a potential notice to terminate must be communicated in writing to the office of the relevant party, stating clearly the issues which could lead to termination and the proposed remedies which could avoid such action. The party making the written representation must allow for at least 6 months for the issues raised and their proposed remedies to be considered and solutions agreed.
23. Either party shall also be entitled to seek to extend this agreement beyond the stated termination date. At least 6 months notice should be given of the desire to extend the agreement and this communicated in writing to the other party. The party receiving the request to the agreement should respond within 60 days of receipt of the request.

ARBITRATION

24. In the event of any dispute under this agreement between the parties a reference shall be made to a single arbiter to be mutually appointed.
25. Failing agreement thereon, a single arbiter shall be chosen by the lead Director for the LEADER Managing Authority within Scottish Government. The decision of any such arbiter will be final and binding.

Signed on behalf of Cairngorms Local Action Group by chair of CLAG

Date:

Signed on behalf of Cairngorms National Park Authority by Lead Director

Date:

Document Control

Version	
0	Initial Drafting
0.1	DC draft based on COAT Speyside Way version, 9 Sep 2014 and submitted to LAG 16 Sep
1	Draft following 16 Sep LAG meeting
1.1	DC amendments following LAG discussion. Reordered. Accountable Body terminology. Definitions and review mechanism added. Amendment to termination and arbitration clauses. Numbered. Submitted in Business Plan.
2	Draft following Management Team Meeting 30 October 2014
2.1	DC amendments to para 3 and add in CLAT responsibility for wider “common good fund” type donations following on from CNPA 12 Sep Board and LAG agreement to this direction of travel. Clarification of form of variations to agreement.