
CAIRNGORMS NATIONAL PARK AUTHORITY

FOR INFORMATION

Title: CAIRNGORMS LEADER PROGRAMME UPDATE

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Purpose

This paper presents an update on the delivery of the Cairngorms LEADER Programme, following the Cairngorms Local Action Group's full commitment of the LEADER grant funding allocation made available to it by Scottish Government.

Recommendations

The Board is requested to:

- i. Note the contribution made by the Cairngorms LEADER Programme to the National Park Partnership Plan; and**
- ii. Note the successful management of the programme to date, and full commitment of LEADER funding allocations, achieved by the Cairngorms Local Action Group.**

Strategic Context

1. LEADER is a bottom-up method of delivering support to communities to support rural development. Grants are awarded by Local Action Groups to projects that support delivery of a Local Development Strategy. The aim of LEADER is to increase support to local rural community and business networks to build knowledge and skills, and encourage innovation and cooperation in order to tackle local development objectives. The Cairngorms LEADER Programme has been awarded an allocation of just under £3 million in LEADER funding sourced from Scottish Government and the European Union for the 2014 – 2020 Programme period.
2. The Cairngorms LEADER Programme is led by the Cairngorms Local Action Group (CLAG). The CLAG now operates as the Cairngorms Local Action Group Trust ("the Cairngorms Trust", a registered charity, number SC046495). The Programme is

supported by the Authority as the Accountable Body. As the Accountable Body, we have signed a Service Level Agreement with the Scottish Government to support the animation and administration of the LEADER Programme, take responsibility for the issue of LEADER grants as instructed by the CLAG, and make claims for reimbursement of these grants from Scottish Government.

3. The establishment and delivery of the Programme has spanned and contributed to delivery of two National Park Partnership Plans and two CNPA Corporate Plans.
4. Establishment of the Cairngorms LEADER Programme 2014 to 2020 and consequent delivery of the Local Development Strategy over that period contributed toward the 2012 to 2017 National Park Partnership Plan (NPPP) Strategic Outcome 1 – A sustainable economy supporting thriving businesses and communities, and the NPPP 5 year outcome that communities will become more empowered and able to develop their own models of sustainability.
5. This work also completed the previous NPPP work programme 4c – establish a Cairngorms LEADER fund from 2013 as part of the next LEADER programme.
6. The Cairngorms LEADER Local Action Group (CLAG) was also recognised as one of the key partners in delivery of Rural Development Priority 4 “Support communities through capacity-building specifically focus on the most fragile communities to deliver transformational change” set out in the Corporate Plan 2015 to 2018.
7. LEADER investment in each LAG area is directed by a Local Development Strategy (LDS). The Cairngorms LDS remains a core strategic document underpinning the current National Park Partnership Plan for 2017 – 2022. The LDS sets out the priorities for promoting community led local development to support a sustainable rural economy in the national park. The Cairngorms LAG and its investment, directed by the LDS, is highlighted in the Rural Development section of the current NPPP as a key delivery partnership, particularly for the rural development priority of enhancing community capacity and empowerment. More information on the Cairngorms LDS can be found at:
https://cairngormstrust.org.uk/index.php?option=com_content&view=article&id=51&Itemid=109
8. The Authority’s Corporate Plan for 2018 to 2022 sets out Rural Development priority 2: to support communities, specifically focussing on the most fragile, to deliver their agendas for change. A specific work area within this priority is to successfully conclude the current LEADER programme and consider future funding for community led local development.

Strategic Policy Considerations

9. The Board has previously endorsed the Local Development Strategy and business case for delivery of the Cairngorms LEADER programme prepared by the CLAG, and agreed to act as the Accountable Body for Cairngorms LEADER with provision of £70,000 annual support toward the management of the programme. The Board has also previously agreed that the CLAG is best placed to take forward ideas previously discussed around the formation of a Charitable Trust to transparently receive and disburse any donations made by third party individuals and organisations toward delivery of the NPPP.
10. The CLAG, supported by the Authority, has now successfully established and is operating as the proposed Charitable Trust - the Cairngorms Local Action Group Trust (trading as “the Cairngorms Trust”), <https://cairngormstrust.org.uk/> . The work undertaken in developing and delivering these wider charitable outcomes beyond LEADER will be covered in a future update to the Board.
11. The CLAG has now fully committed the Cairngorms LEADER Programme Grant allocation in support of community led local development initiatives. The grant allocation of £2.969 million has supported LEADER funding into projects of £2.241 million with a total project value currently estimated at £3.773 million. Of this total project value, some £1.471 million relates to investment in economic development, enterprise and farm diversification projects.
12. The Programme currently involves 32 approved projects from 40 projects submitted to the CLAG. Submitted project applications themselves stem from 114 formal expressions of interest, developed from the LEADER team working with 247 enquiries.
13. The Programme covers projects in 13 different communities, with two projects covering all of the Aberdeenshire area of the National Park and 12 projects operating park-wide.
14. These statistics support the CLAG’s overall approach for the current LEADER programme: to focus on a relatively small number of relatively high value projects that make a step-change contribution to their local communities. This approach also takes account of the relatively high levels of administration required by applicants and the LEADER Team to support the process.
15. A fuller outline of the current position of the Cairngorms LEADER Programme is presented at Annex I to this paper, which is an extract of the most recent quarterly LEADER report to the Cairngorms Trust.

Strategic Risk Management

16. The Authority's strategic risk register, considered as part of the Corporate Plan delivery update to this Board meeting, includes a risk around the Authority's role as the Accountable Body (AB) for the Cairngorms LEADER Programme (risk A11). This risk highlights the underlying possibility of significant financial clawbacks being imposed on the Authority should expenditure supported by LEADER grant awards prove to be ineligible. This risk area had been escalating over 2017 and 2018 while the Director of Corporate Services, as lead Director for delivering the Service Level Agreement with Scottish Government supporting Cairngorms LEADER, engaged in considerable dialogue with central team on clarifying points of eligibility and assessment processes. This process has concluded successfully with all grant claims assessed as eligible and now paid to the Authority, and the risk has accordingly now been assessed as stable.
17. The Authority also carries the employment responsibilities for the LEADER staff team supporting the programme. Management action on this risk is covered by risk A19: "Resources / Staffing - failure to effectively manage staffing numbers with a view to the long term business need will reduce the capacity for the Authority to deploy adequate financial investment toward priority projects in the National Park". The Authority's Workforce Management Strategy is now in place with underpinning plans to manage deployment of staff over the long-term as funded projects come to a conclusion underpinning employment requirements evolve.
18. The UK's exit from the EU remains a risk for the Authority's role as Accountable Body for LEADER, with care required to manage contracts and project amendments within strict eligibility criteria established by the UK Treasury (strategic risk A12.1). Currently, all LEADER contracts established by end of December 2019 will be honoured. However, there is a risk that projects will not be able to make variations to their plans from January 2020 onwards. Under current understanding, live projects will be able to deliver against approved contracts and budgets. However, the potential to move funds between budget lines and milestone dates will be lost if current arrangements remain into 2020. This will make the later stages of project and programme management increasingly complex.
19. The Board's Audit and Risk Committee has received regular reports on the risk position of the Authority as a consequence of its role as Accountable Body for the Cairngorms LEADER Programme.

Implications

20. The Authority's support for LEADER investment in the Cairngorms brings a significant level of investment to deliver communities' development priorities at a local level and through doing so support the objectives of the NPP and the Authority's Corporate Plan. The programme has been instrumental in supporting a wide range of locally led initiatives achieve priority outcomes for communities within the Cairngorms, while also supporting a number of projects operating throughout the National Park. Some of these Park-wide initiatives have been led by the Authority as the main applicant and LEADER grant funding has supported some high profile successes for the Authority, such as the Youth Manifesto launched at the Europarc Conference in September 2018 and the Cairngorms Volunteer Ranger Service.
21. Securing a LEADER grant programme to operate specifically within the boundary of the Cairngorms National Park is a relatively unique situation in Scotland, with other Local Action Group areas typically based within single local authority boundaries and supported by local authorities as Accountable Bodies. Securing the unique arrangements for the Cairngorms has helped integrate the work of LEADER with the delivery of the NPPP.
22. A further distinct feature of the Cairngorms Trust's delivery of LEADER in the Cairngorms has been the community benefit offered by business and economic development beneficiaries. For example, commercial facilities developed have been offered for regular use by youth and community groups free of charge, while accommodation developments have been made available to charities and voluntary organisations for their use. This approach by the CLAG, incorporated as Cairngorms Trust, fits with both the overall LEADER ethos of developing partnerships between and within communities, and the Trust's charitable objective of providing wider public benefit in its work – which it has applied equally to its leadership of the LEADER Programme.

Success Measures

23. The delivery of the LEADER Programme is monitored by the Cairngorms Trust Board on the basis of the Monitoring and Evaluation data included within Annex I to this paper. The position set out in the Annex remains open, with further data to be added as open projects achieve further delivery and reporting milestones.
24. The Authority's support for the LEADER Programme as the Accountable Body will be assessed in terms of the success of programme delivery in maximising investment of available funds and minimising the liability arising from any technical errors or payment

of ineligible project costs. Currently, the Authority has supported the full commitment of available project funds and is supporting the CLAG in bids for additional allocations from central resources recovered from LEADER areas which have not achieved target commitment levels. Over the course of the programme to date, technical and eligibility issues have been very low, with action taken to mitigate eligibility risk on expenditure totalling around £8,500 (0.23% of programme value). At present, the exposure to such technical issues is commensurate with the previous six year LEADER programme to 2013, where the Authority met between £15,000 and £20,000 of programme expenditure to mitigate wider audit risks. This level of potential cost exposure was considered at the point of agreeing to support the bid for a further Cairngorms LEADER Programme as Accountable Body in order to secure the potential scale of inward investment brought by the grant funding allocation.

25. The LEADER Programme has successfully delivered one of the current Corporate Plan Key Performance Indicators (KPI) – the number of individuals participating in community projects for the first time. This KPI has already been exceeded, as is reported separately to the Board in the paper dealing with Corporate Plan Performance.

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