



## REPORT TO INFRASTRUCTURE SERVICES COMMITTEE – 16 JUNE 2016

### LEADER PROGRAMME IMPLEMENTATION

#### 1 Recommendations

It is recommended that the Committee:

- 1.1 **Approve the Council acting as an Agent for North and South Aberdeenshire Local Action Groups as and when required to do so.**

#### 2 Discussion

- 2.1 At its meeting on 2 October 2014 (Item 13, Page 847), Infrastructure Services Committee agreed:

To agree that Aberdeenshire Council will act as Lead Partner for the Aberdeenshire Fisheries Local Action Group (AFLAG), North Aberdeenshire Local Action Group (NALAG) and South Aberdeenshire Local Action Group (SALAG) and provide the necessary resources required to undertake these roles.

- 2.2 In the report, the obligations of the Lead Partner was defined as follows:

- Ensuring that LAG & AFLAG funds are managed appropriately in a way which complies with legislative requirements.
- Underwrite and guarantee LAG & AFLAG expenditure.
- Providing advice and support to the LAG & AFLAG.
- Providing advice and support to project applicants and managers.
- Processing and paying project claims.
- Providing a bank account and cash flow.
- Provision of professional services including accountancy, audit, legal, human resource, quantity surveying and travel.
- Provision of office space and IT equipment.
- Provision of a LAG & AFLAG secretariat.

- 2.3 Since Committee approval was given, there have been some changes in terminology, with Lead Partners now referred to as Accountable Bodies and AFLAG having been replaced with the North East Scotland Fisheries Local Action Group (NESFLAG).

- 2.4 Guidance documentation has been issued by the Scottish Government, which is also developing a number of template documents including offer of grant contracts which would be issued to businesses and communities who successfully bid for LEADER funding from the NALAG and SALAG programmes. The format of the offer of grant document presently sets out that the contracting parties would be NALAG/SALAG and the grant applicant.

- 2.5 Each LAG is an unincorporated association governed by a constitution and made up of its member organisations (please see **Appendix 1** for a list of present LAG members). LAG members do not have limited liability and this has made the members reluctant to sign legally binding documentation like grant agreements even though the risks attached to signing such documents are slight. Also from a practical point of view getting so many members to sign grant agreements would be logistically difficult.
- 2.6 It is therefore proposed that Aberdeenshire Council's arrangement with the LAGs be extended from acting as Lead Partner/Accountable Body to acting as an Agent of NALAG and SALAG. Subject to approval by the LAGs, this would allow the Council to enter into contracts with grant applicants on behalf of the LAGs. Decisions of project awards would continue to be made by the LAGs, but the signing parties would be Aberdeenshire Council and the project applicants.
- 2.7 This approach would not expose the Council to any additional risk as it would only be acting as agent for the LAGs but neither would it remove the theoretical risk attaching to the LAG members as they would still be the named principals under the grant agreements. It would merely simplify the signing procedure and issuing of grant documentation and would provide the LAG members with the additional comfort of the Council being the signing party and being the party responsible for enforcing the grant conditions.
- 2.8 This still leaves the LAG members with the risk that a LAG may approve a project which is ineligible for support under the terms of LEADER funding. However, LAGs should be reassured that this will be mitigated through the grant application process, during which a technical assessment of eligibility of applications is carried out by European Programmes Co-ordinators. Furthermore there is Council Officer representation on the LAGs and the Council could advise the LAG to decline to award a grant if it believed that the project was ineligible. In such instances, there is scope within the LAG constitutions to refer any disagreements between the Council and LAGs to the Scottish Government.
- 2.8 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and any comments have been incorporated.

### **3 Equalities, Staffing and Financial Implications**

- 3.1 An equality impact assessment is not required because the report's recommendations would not have a differential impact on protected characteristics.
- 3.2 There are no financial or staffing implications arising from this report.

**Stephen Archer**  
**Director of Infrastructure Services**

Report prepared by Martin Brebner, Team Manager – European Policy & Programmes, 17 May 2016

## APPENDIX 1 – PRESENT LAG MEMBERS

### SALAG Membership

Community	Public	Private
Aberdeenshire Voluntary Action	Aberdeenshire Council	Aberdeen & Grampian Chamber of Commerce
Garioch Community Councils	Forestry Commission	Federation of Small Businesses
The Garioch Partnership	NHS Grampian	National Farmers' Union Scotland
Kincardineshire Development Partnership	North East Scotland College	Scottish Agricultural Organisation Society
Marr Local Community Councils	Scotland's Rural College	Scottish Land and Estates
Marr Rural Partnership	Scottish Enterprise	Visit Royal Deeside*
	Scottish Natural Heritage	
	Visit Scotland	

### NALAG Membership

Community	Public	Private
Aberdeenshire Voluntary Action	Aberdeenshire Council	Aberdeen & Grampian Chamber of Commerce
Banffshire Partnership	Forestry Commission Scotland	Banffshire Coast Tourism Partnership
Buchan Development Partnership	NHS Grampian	Federation of Small Businesses
Buchan Community Councils	North East Scotland College	National Farmers' Union Scotland
Formartine Partnership	Scotland's Rural College	Royal Society for the Protection of Birds Scotland
Formartine Community Councils	Scottish Enterprise	Scottish Land and Estates
Udny Community Trust Company Ltd.	Scottish Natural Heritage	
	Visit Scotland	

\*Membership is being reviewed to take account of recent changes to the structure of Destination Management Organisations

