

FALKIRK COUNCIL

Subject: LEADER EUROPEAN FUNDING PROGRAMME 2014-2020
Meeting: EXECUTIVE COMMITTEE
Date: 2 December 2014
Author: DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

1. INTRODUCTION

- 1.1 Falkirk Council's Executive Committee agreed on 14th January 2014 to support a new Kelvin Valley and Falkirk LEADER Local Action Group.
- 1.2 LEADER is a European funding programme for rural development. Scotland-wide, the core 2014-2020 LEADER programme is worth around £64million, split between the 21 Local Action Groups (LAGs). Provisional indications from the Scottish Government are that each LAG will receive from the core a minimum of around £2million, with around another £1million for each LAG available. It should be noted that the core £64million will be supplemented with awards to each LEADER programme from a further £20million nationally ring-fenced European fund, specifically for farm-diversification and business support.
- 1.3 Falkirk Council is now requested to consider fulfilling the role of accountable body on the Kelvin Valley and Falkirk 2014-2020 LEADER programme. Falkirk in terms of its qualifying area and population is now the largest of the three partners as set out below:

Falkirk	55,590
East Dunbartonshire	27,235
North Lanarkshire	12,219
Total population	95,044

2. LEADER Governance – the Board and the Accountable Body

- 2.1 LEADER is delivered through partnerships between the Scottish Government and community-led Local Action Group's (LAGs) who operate as a board, defining strategy and distributing funds against that strategy. All three Councils above have an officer on the LAG board. Under European regulations, over 50% of a LAG board, and the chair's position, must be drawn from outwith the public sector, generally volunteers from the community.
- 2.2 One of the LAG board must take the role of **accountable body** and have suitable financial and organisational resilience to do so – currently this is always a local authority. The accountable body role for LEADER operates independently of the Council role on the LAG board, and is restricted to administering the financial and staffing systems to support the LAG board. Falkirk Council is a competent organisation to take the role of LEADER accountable body.

- 2.3 The exact service required from the accountable body is managed through a service level agreement (SLA) between the accountable body and the Scottish Government. The template SLA for the LEADER programme is a national arrangement. The 2014-2020 version is not yet available, but the SLA arrangement has operated with Councils across all 21 Scottish LAGs for the last six years.

3. FALKIRK COUNCIL AS ACCOUNTABLE BODY

Benefits

- 3.1 Advantages must be seen in terms of supporting the general potential for local communities' access to a LEADER funding programme. The new programme has the potential to have a much greater impact on the Falkirk's LEADER area than the previous programme.
- 3.2 Falkirk's LEADER population of **55,590** is a much greater percentage now of a smaller total eligible community.

Total eligible community NOW	<i>Total eligible community 2008-14</i>
95,044	130,343

Falkirk % NOW	<i>Falkirk % 2008-14</i>
58%	35%

- 3.3 Outline budgets for 2014-2020 suggest that the Kelvin Valley and Falkirk LEADER area may have access to a share of between £2million and £3million across the 2015-2020 programme delivery period. Falkirk projects attracted relatively modest £435,650 (16% of budget) in the 2008-14 Forth Valley and Lomond LEADER LAG.
- 3.4 The exact budgets will not be agreed and awarded by the Scottish Government until late in 2014. The award intervention rate is generally 50%, meaning that all projects, applicant-led or commissioned, also lever in their own match funding to make a viable project budget.

Commitments

- 3.5 As accountable body, Falkirk Council would be asked to deploy its existing staffing and financial systems to support the personnel and budget attached to the programme. However the LEADER fund also requires an annual internal audit of the programme against the SLA with the Scottish Government, extending required LEADER work beyond a commitment to be accountable for new resources. It is also likely that Falkirk Council would also be asked to accommodate around three LEADER staff, wholly funded by the programme funding.
- 3.6 Delivering an accountable body role requires to be planned in advance through liaison with finance, legal and HR services over the coming months, led by Corporate and Neighbourhood Services. Initial discussions have concluded that HR, internal audit and accountancy services are satisfied that they can accommodate the work associated with the LEADER fund, in cooperation with a competent LEADER staff team.

- 3.7 In order to facilitate the running of the accountable body it is a condition of the fund that a small support team be established using the budget awarded by the Scottish Government. This budget will be fully managed by the LEADER board which can allocate up to a total of 25% of the total amount of the programme to support this during the 6-year lifetime of the initiative.
- 3.8 Although detailed proposals have still to be considered by the LEADER Board we anticipate that the composition of the LEADER Support Team would be as follows:

Post / Composition of Annual Budget
1 x Programme Co-ordinator
1 x Development Officer
1 x Finance/Administrative Assistant,
Day-to-day running costs

- 3.9 The Council will seek to recruit internally for all of these posts.
- 3.10 The table below notes from the LEADER Board's business plan (30th Sept 2014) its estimated costs for supporting the programme over a six year period.

Element	Estimated Cost £,000	Description
Programme Co-ordinator	220	Including all on costs
Development Officer / Animator	120	Including all on costs
Finance Officer / Admin	100	Including all on costs
Marketing and Communications	25	Including web design and set up
Monitoring and evaluation	10	All external support
Training and Development	10	LAG handbook
LAG operational costs	15	Including travel and expenses
Total	500	Note costs are not equally split over the life of the programme

- 3.11 The LEADER Board may opt to vary the tenure and configuration of this team, within the available monies and also to ensure that the amount used for support is minimised. The risks involved for the Council are minor, and relate solely to the timings of the recruitment and development of a competent LEADER staff team, without whose activities the Council is not in a position to undertake our role. Accepting the accountable body role therefore depends on the recruitment of staff and launching the LEADER programme only when these staff can be fully deployed. This position has been eased very recently by clarification from the Scottish Government that the programme start will be delayed to spring 2015. Furthermore the LEADER Board now has received a transitional award from the Scottish Government, and has a contractor newly appointed, to fulfil a development officer role until such time as the support team can be recruited.

- 3.12 The Council already has considerable experience in managing European funds, including on-going delivery of employability services and, through Falkirk Business Gateway, business competitiveness measures. Contact is already established with neighbouring Councils who have the accountable body role in LEADER, and can provide advice. Kelvin Valley and Falkirk LEADER LAG, in developing its arrangements for 2014-2020, actively networks with all Scotland's 21 LEADER programmes, and with the national advisors at the Scottish Government.

4. CONCLUSIONS

- 4.1 Each LAG deploys its funds to deliver its own community-consulted Local Development Strategy (LDS). This allows local LAGs to identify a useful strategic 'space' in which to deploy their funds, taking account of other existing local support, and of difficult-to-fund local needs. Kelvin Valley and Falkirk LEADER LAG's draft LDS is being developed for submission to the Scottish Government in September 2014, for implementation and allocation of funds from January 2015. Corporate Policy Officers are liaising directly with Council services, to best represent the Falkirk area's needs within the wider Kelvin Valley and Falkirk LEADER LAG's draft LDS.
- 4.2 The establishment of Falkirk Council as the accountable body for the Kelvin and Falkirk Leader programme provides a considerable opportunity to secure better benefits and outcomes for the Council area. We also have the skills and knowledge gained from the previous LEADER arrangements and other European Funding stream, to complement the work of the staff who will support the Council in the role of the accountable body.

5. RECOMMENDATIONS

It is recommended that the Executive agrees that the Council:-

- 5.1 **Subject to successful internal recruitment. The Council undertakes the role of accountable body for Kelvin Valley and Falkirk 2014-2020 LEADER programme including agreeing an SLA with the Scottish Government; and**
- 5.2 **Writes to Kelvin Valley and Falkirk LEADER Local Action Group requesting that they confirm that they will resource the LEADER staff to fully support the functions of the accountable body, within the budget conditions set by the Scottish Government.**

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DIRECTOR OF CORPORATE & NEIGHBOURHOOD SERVICES

Date: 10 October 2014
Ref: ABB0212DT - Leader
Contact Name: David Tollick

LIST OF BACKGROUND PAPERS

1. Executive report from 14th January 2014

Any person wishing to inspect the background papers listed above should telephone Falkirk 01324 506065 and ask for David Tollick.