

THE HIGHLAND COUNCIL

RESOURCES COMMITTEE – 11 June 2008.

Agenda Item	
Report No	

European Union Funding: Update on developments

Report by the Head of Policy and Performance

Summary:

This report provides members with an update on recent developments in European funding programmes. Members are asked to note the outcome of Round 1 applications for Structural Funds and to consider proposals for the delivery of the LEADER programme. A verbal up-date on Convergence funding may be available at the meeting.

1. Introduction

1.1 The Council has a commitment in its Programme for the Administration that it “will work through the Highlands and Islands European Partnership and the Scottish Government to secure the maximum benefit for the Highlands from European funding programmes for the region and play a full part in key European organisations.” This recognises that major benefits can be derived for Highland communities through closer involvement in Europe. Such benefits include financial assistance, exchanging information and experience and seeking to influence European policy development.

1.2 This report updates members as to the latest developments concerning:

- the Structural Funds - European Regional Development Fund (ERDF) around £87m available for the Highlands and Islands over 6 years and the European Social Fund (ESF) around £37m available for the Highlands and Islands over 6 years;
- the Rural Development Programme (RDP), including LEADER and convergence funding;
- the Fisheries Fund (EFF); and
- INTERREG (Inter-regional co-operation) programmes.

2.0 Structural Funds

2.1 It has previously been reported that the Structural Funds programmes to 2013 (ERDF and the ESF) are underway, with funding rounds managed through the Highland and Islands Programme Partnership. Appendix 1 shows the outcome of Round 1 applications. All of the applications submitted from the Council were approved at the Resources Committee meeting in October 2007. From Round 1: five bids were approved (although confirmation is awaited on whether the Locally Significant Roads Project can proceed following the reduced offer of EU funds); two were withdrawn; and two failed. Those applications proceeding (assuming the roads project above goes ahead)will result in £494,995 of Council investment which will be matched by £568,980 of partner funding and £457,476 of EU grant; with a total programme value to date of £1.521m.

2.2 There are no Council submissions for the current Round 2. Round 3 applications are expected for September 2008 but this is still to be confirmed. To encourage applications for Round 3 and future Rounds the European unit will provide a series

of briefings to Service Management Teams, partnership forums and to elected members, with scope for members to be briefed following a Resources Committee this year.

- 2.3 The Scottish Government intends to develop a route for Community Planning Partnerships to bid for particular strands of Structural Funds (ERDF Priority 3 – enhancing peripheral and fragile communities and ESF Priority 1 – increasing the workforce). Guidance is awaited but for Highland this would be helpful and the Single Outcome Agreement (to be finalised by the end of June 2008) can be used for identifying the outcomes sought by regional partners.

3. The Rural Development Programme (RDP)

- 3.1 The RDP will be rolled out largely to the agriculture sector on a Scotland wide level. It is not expected that the Council will be a major beneficiary from this source of funding, other than through two elements of LEADER and Convergence funding¹.

- 3.2 The Council produced a bid for LEADER funding on behalf of the Community Planning Partnership and this was agreed at the November meeting of this Committee. Under advice from the Scottish Government the submission also included a bid for the Highland share of the Highlands and Islands Convergence funding. To date the Highland Community Planning Partnership has been awarded £6.63m of LEADER funding (20% of the Scottish share) but at the time of writing the decision on Convergence funding is not known. These Programmes apply to rural Highland (excluding the city of Inverness which is ineligible and the Highland Council area within the Cairngorm National Park (CNP) as the CNP is a grant recipient and will have its own LEADER programme arrangements).

- 3.3 Since the submission was made there have been discussions with the Government and with the other regional partnerships in the Highlands and Islands on the allocation of Convergence funding. It has been confirmed that the intervention rate available is reduced to 35% European funding so there is a need to secure a higher level of public sector match funding at 65% (compared to the 50% assumed in the bid from Highland). Based on the availability of match funding the Council has recently written to the Scottish Government advising that in the circumstances it needs to reduce its request for Convergence funding from £9.5m to £7.5m. Even with this potentially lower award the LEADER and Convergence funding programme would be significant with around £14m to disburse which in turn should generate a total spend of some £28-30m. If further information is known at the time of the Committee meeting, a verbal up-date on the Convergence award will be provided.

3.4 LEADER Management and Governance

The governance and management arrangements for the LEADER Programme are by necessity quite complex given the partnership nature of the Programme and the requirement for partnership decision making to take place at both the Highland and local level. Appendix 2 outlines in detail the draft Operating Guidelines. The Council's LEADER Programme partners have considered and agreed to these

¹ Convergence is an E.U. term for the evening out of socio-economic differentials between the rich and poor regions across the Union. The Highlands and Islands is designated a Convergence region and has been allocated £19M from the agriculture budget to finance rural development.

proposed guidelines.

3.5 The draft Operating Guidelines recognise that at a Highland level:

- the LEADER programme is a partnership programme, facilitated but not owned by the Council;
- the Council as holder of the LEADER partnership funds has an extra responsibility to the Scottish Government for the funds received. It is therefore proposed that a financial report on the Highland LEADER Programme is presented annually to the Resources Committee. Over and above this the Council must follow its existing governance arrangements for providing match funding.
- Operational management of the Programme is the responsibility of an officer group, called the Strategic Partnership Local Action Group (the Strategic LAG) which comprises officer representatives from the public, private and voluntary sectors. The Council chairs this group and is represented by officers from the Chief Executive, ECS and P&D Services.

Partnership governance arrangements for the Community Planning Partnership are being revised to ensure delivery of the Single Outcome Agreement with new arrangements to be in place for April 2009. Further reports will be brought to Members on this matter, but the local outcomes and indicators in the SOA which are relevant to LEADER and require partnership scrutiny are:

- The number of community led projects supported
- The number of community led plans supported
- The number and range of community groups actively involved in community based economic development.

3.6 At a local level, the operating guidelines recognise that:

- Local community development groups will be active in the delivery of LEADER and that this can be assisted by an allocation of a budget for a 3-5 year period against which local development plans can be produced (the bid requires the plans to focus on “Revitalising Communities” and Progressive Rural Economy”). Experience from the previous programme has shown that this provides existing and new local groups with the financial confidence to work up projects that really matter to their community. While the proposal is for Local Development Plans to be approved through the Strategic LAG to ensure fit with the LEADER business Plan (as approved at November Resources Committee), the local groups would assess the projects within their area which have applied for LEADER funds.
- All elected Members are, or need to be, active participants in their local community development groups. Community development groups may cover more than one ward e.g. Lochaber partnership and Caithness partnership etc. Where community development groups are not yet established, Ward Managers are currently working to establish appropriate local partnership arrangements either at Ward level or for a combination of Wards and will consult with local members on these arrangements. This would ensure that Members contribute to their local development plan and in partnership make decisions on individual project applications. The implementation of projects can also be monitored through Ward Business Information reports.

- 3.7 For the launch of the Highland programme there needs to be:
- Confirmation of the total pot of funding (LEADER and Convergence funds together)
 - Agreement on apportioning the programme across area allocations, strategic Highland projects, trans-national/regional activity and central administration;
 - Clarity on the grant / intervention rate.

While information will be known imminently with the Government's announcement on Convergence funding; the Partnership still has to consider the overall balance of the Programme across strategic Highland projects, trans-national/regional activity, central administration and area allocations. However there are projects ready and awaiting the launch of the Programme now and area groups are keen to learn of their budget allocation to manage expectations locally when drafting their development plan.

- 3.8 To avoid any further delay it is proposed that as soon as the total fund and its conditions are clarified by the Government, a shadow round for project applications is launched for this year. This will be for projects that are time critical for various reasons and therefore will not progress if LEADER funding is not secured this year and/or where it cannot wait for the local development plan to be produced. This requires a decision on indicative area allocations.

- 3.9 In apportioning the funds across eligible areas (for local development plans and to be used for projects in the shadow round) the Scottish Government methodology for awarding the LEADER programme across Scotland could be adopted or adapted. This used a formula based on population (2/3), size of area covered (1/3) plus a score for the quality of the bid (top sliced 20%). In discussion with partners there is a preference for the allocation to be based on population and area covered. Appendix 3 illustrates what an indicative £5m programme would look like with this methodology applied at a Ward level; although local community development groups could cover more than one Ward.

4. European Fisheries Fund (EFF)

- 4.1 The EFF is a UK wide programme with a Scottish budget line and is at the stakeholder consultation stage with the programme expected to be launched in the autumn. The Highlands and Islands have been allocated a ring fenced £12.4m of the Scottish £38.82m budget line. The Council's views on this UK Programme will be developed through the PDET Committee.

5. INTERREG

- 5.1 INTERREG is a Community fund aimed at fostering greater co-operation between regions separated by political or geographic barriers. Highland is eligible to apply for funds from the Atlantic, North Sea, Northern Periphery and Northwest Europe programmes. In addition the geographic areas of Syke, Lochalsh and Lochaber along with other areas along the south west coast of Scotland have been included in the 2007-13 cross border programme with Northern Ireland and the west coast of Eire. This programme is particularly attractive as it brings with a grant rate of 75%. This compares with the more usual 50% intervention rate.
- 5.2 A launch in Scotland is currently being planned for June 2008, possibly at the marine research establishment at Dunstaffnage. The Council is currently investigating a number of potential projects which would be reported to Committee

if they reach the stage of seeking approval to proceed.

6 Resource Implications

6.1 Resource implications arise from any EU programme the Council seeks to participate in. The Council's contribution to deliver Structural Fund projects from Round 1 was approved previously at Committee and the outcome of those bids is reported. For the LEADER programme the Council has to hold and release funds on behalf of the partnership, so an annual report is proposed; although the decision-making on how that fund is deployed is a partnership decision. The Council is the lead partner. For Convergence funding, the Scottish Government has been advised that because additional match funding is now required, the Council needs to reduce its bid to ensure that the public sector contribution is affordable.

7. Recommendations

7.1 Members are asked to note the outcome of Round 1 submissions for Structural Funds and to note that various briefings will be carried out by the European Unit to encourage bids to be made for future Rounds. Members are asked to agree for a briefing on EU funding programmes and networks to be arranged for them to follow a future Resources Committee meeting in 2008.

7.2 For the delivery of the LEADER programme Members are asked to agree:

1. with the partners on the draft operating guidelines attached at Appendix 2;
2. with the partners on the formula for the area allocations to eligible areas (based on 2/3 population and 1/3 area by ward, with wards combining where appropriate);
3. in consultation with partners an indicative allocation announced for areas up to the £5m as shown in Appendix 3 to enable the launch of the programme and the shadow round for this year;
4. a further report is brought back to this Committee to consider the proposed full area allocation along with allocations for strategic, trans national / regional projects and administration costs once all partners are aware of the final Highland award and grant conditions and have identified their match funding availability;
5. Members participate in local community development groups, with implementation of projects reported also through Ward Business meetings and Ward reports (facilitated by the Ward Manager)
6. an annual financial report is brought to Resources Committee.

7.3 Members are asked to note the developments with the European Fisheries Fund and the INTERREG programme, which are likely to be subject of future reports.

Signature

Designation Head of Policy and Performance

Authors: Gordon Summers, Principal European Officer (702508), Andy McCann
Economy and Regeneration Manager (702592), Carron McDiarmid Head of
Policy and Performance (702852)

Date: 26 May 2008.

Structural Funds Project Applications Up-date

Appendix 1

Structural Fund Project Applications Made		Next application deadline:			Sept 2008 TBC					
Potential Projects	Council applications submitted	Application round and submission date	Service:	EU Approval (Y/N or date expected)			Total approved project Values (£)			
ESF - Priority 1	Title:			Stage 1 (Y/N)	Stage 2 (Y/N)	PMC (Y/N)	THC	Other Partners	EU Element	% Leverage
Increasing the Workforce	ESOL Quality Development	Round 1(Autumn 2007)	ECS	Y	Y	Agreed, (1 year only)	110,000	50,000	160,000	50%
	Highland Adult literacies	Round 1(Autumn 2007)	ECS	Y	Y Advisory Group Wthdwn		100,000	0	100,000	50%
	Community Based Bilingual Language Assistants	Round 1(Autumn 2007)	ECS	Y	Y	Y - with amended application	54,996	0	54,996	50%
	Deaf Communication Project - Training Hub Initiative	Round 1(Autumn 2007)	SW	Y	Y	Approved	20,000	12,500	32,500	50%
	T2E Transport to Employment	Round 1(Autumn 2007)	P&D	Y	Y	Approved	10,000	6,480	9,980	38%
	Policy Assistant - Community Liaison	Round 1(Autumn 2007)	CE	Failed			32,082		32,082	50%
	T2E (2) Transport to Employment	Round 2 (Spring 2008)	P&D	Withdra wn						
ESF - Priority 2	Title:		Service:	Stage 1 (Y/N)	Stage 2 (Y/N)	PMC (Y/N)	THC	Other Partners	EU Element	% Leverage
Investing in the Workforce										
ESF - Priority 3	Title:		Service:	Stage 1 (Y/N)	Stage 2 (Y/N)	PMC (Y/N)	THC	Other Partners	EU Element	% Leverage
Improving access to lifelong learning										
ERDF - Priority 1	Title:		Service:	Stage 1 (Y/N)	Stage 2 (Y/N)	PMC (Y/N)	THC	Other Partners	EU Element	% Leverage
Enhancing business competitiveness, commercialisation and innovation										
ERDF - Priority 2	Title:		Service:	Stage 1 (Y/N)	Stage 2 (Y/N)	PMC (Y/N)	THC	Other Partners	EU Element	% Leverage
Enhancing key drivers of sustainable growth										
ERDF - Priority 3	Title:		Service:	Stage 1 (Y/N)	Stage 2 (Y/N)	PMC (Y/N)	THC	Other Partners	EU Element	% Leverage
Enhancing peripheral and fragile communities	Locally Significant Roads - Highland	Need new application	TECS	Y	Y	Reduced (20%)	300,000 TBC	500,000	200,000	
	Pontoon Extension; Lochinver Harbour		TECS	Challeng ed	Challeng ed	Failed	58,000	50,000	66,856	39%
Total of bids prepared							685,078	618,980	656,414	33
Total of bids approved							494,996	568,980	457,476	30

**HIGHLAND LEADER (2007-2013) PROGRAMME
DRAFT OPERATING GUIDELINES**

Revised following 25th April Strategic LAG Meeting

Name of Local Action Group

Highland LEADER Local Action Group (LAG)

Objective

Under the European Agricultural Fund for Rural Development (EAFRD), Council Regulation 1698/2005, The Highland LEADER LAG on behalf of the Highland Community Planning Partnership will take forward the Highland LEADER Programme 2007 – 2013 Programme.

The Highland LEADER area will include all of the Highland Council area, except for the Settlement Development Area for Inverness (as given in the Local Plan) and the part of the Highland Council area within the Cairngorms National Park.

The Highland LEADER LAG will also run a Convergence Programme across the same area.

Structure and Composition

The LEADER Programme will be delivered through the Highland LEADER LAG, which consists of a strategic LAG and a suite of local area partnerships.

There will be a number of different groups involved in the delivery of the future LEADER Programme, reflecting the recent changes to the Council structure while maintaining the broad LEADER ethos, of seeing delivery and project determination take place at the local/community level. This approach will result in a greater number of groups being involved than was the case in the previous LEADER programmes.

Operating guidelines for these groups are set out below.

Governance

The Highland Community Planning Partnership (CPP)

The CPP will provide strategic direction and high level leadership and will be responsible for overall governance. The CPP will identify spatial priorities, oversee strategic delivery and scrutinise the performance of the Programme. Specifically this group will:

- Act through its lead partner, The Highland Council, as the applicant body for the LEADER Programme
- Establish Programme priorities
- Identify the most appropriate delivery mechanism
- Monitor performance and review
- Integrate Programme with other EU/Scottish Government funds
- Report to the Scottish Government
- Financial Programme and virement approval

The high level spatial and programme priorities will be contained in the final Single Outcome Agreement (produced in association with several partners in 2008 and to include all partners by 2009). Partnership governance arrangements will be reviewed in 2008 for implementation in 2009.

In its role as lead partner and recipient of Scottish Government/EU grant The Highland Council has particular financial responsibilities in addition to its community planning lead partner remit. Correct financial scrutiny procedures require that the Council's Resources Committee receive and consider an annual LEADER Programme monitoring report.

Operational Management

Strategic Partnership Local Action Group (strategic LAG)

The Strategic Partnership LAG will be the Officer 'working' body responsible for the strategic Programme plan in consultation with the local area community planning partnerships, Wards and CPP. This group will be directly responsible to the CPP. Membership of the strategic LAG will reflect the aims of the LEADER Initiative regarding involvement of community representatives while achieving the necessary balance of statutory, private and community representation, i.e. 50% public maximum with the other 50% drawn from private/community representatives.

Members of the Strategic LAG;

Anne Rae	Scottish Government Rural Payments and Inspections Directorate
Graham Neville	Scottish Natural Heritage
Sarah Allen	Crofters Commission
Bob MacKinnon	The Highland Council
Ian Murray	The Highland Council
Andy McCann	The Highland Council
Robert Muir	Highlands and Islands Enterprise
Richard Wallace	Forestry Commission Scotland
Patrick Krause	Scottish Crofting Foundation
Ian Wilson	National Farmers Union Scotland
Alan Gartshore	Voluntary Action Highland
Niall Smith	Voluntary Action Highland
Fay Thomson	Federation of Small Business
Anna MacConnell	Caithness Partnership
Jon Hollindale	Community Woodlands Association
Gillian Slider	Highland Youth Voice

The above group are the formal voting members of the LAG; additional partners may be asked to attend in an advisory capacity.

The strategic LAG's role will be to oversee the successful establishment and operation of the Programme throughout the Highland LEADER Programme area. In doing so it will;

- Meet at least 4 times a year
- Consider reports from Development Manager concerning the delivery of the Programme. This shall include progress on applications received, approved, grant committed, grant claimed and progress on achieving the agreed output targets
- Consider annual reports, which on approval will be forwarded to the CPP and thereafter to the Scottish Government as part of their monitoring and evaluation process
- Consider regular financial reports, which will detail expenditure, accrued on the administration and delivery of the Programme and on projects. These will reflect the information submitted to the Scottish Government as quarterly financial claims
- Commission a mid term evaluation of the Programme
- Maintain liaison with the UK/Scottish LEADER Network and ensure representation at its meetings
- Review progress made towards achieving targets set in the business plan

- Set up and review monitoring and evaluation exercises
- Advise on communication and publicity strategies

This strategic LAG will also be required to:

- Take the lead on transnational/transregional aspects of the Programme
- Form a link to the local Regional Proposal Assessment Committee (RPAC) to ensure consistency and added value
- Recommend virement of resources to CPP within the Programme
- Ensure the horizontal themes of equal opportunities and sustainable development are adhered to
- In establishing the Programme the Strategic LAG will consider applications for funding to assist with the preparation and reviewing of local area development plans and subsequently will approve these local area development plans.
- In the interim before the local area partnerships have an approved development plan and their Programme financial allocation, the strategic LAG will, after consulting with the local area partnership or equivalent, assess and approve individual project applications.
- The strategic LAG will, after consulting with the relevant local area partnerships, or equivalent, assess and approve project applications for individual pan Highland or projects that span more than one area.

Operational Delivery

Local Area Partnerships

Local area partnerships will provide the local focus for the new LEADER programme and will be responsible for local delivery and, as appropriate and able, monitoring. New or existing local structures will be used which will have local knowledge and expertise to facilitate the delivery of the Programme and determine project applications. Local arrangements will be fit for purpose but the following guiding principle will need to be adhered to. Groups must reflect public, private and voluntary sector interest in their area and must be able to demonstrate through the preparation of a development plan and its implementation a link with the Highland LEADER Plan, i.e. 50% public maximum with the other 50% drawn from private/community representatives.

Local groups will be expected to:

- Co-ordinate the preparation of and implement a local development plan for their area, which meets the aims of the Highland LEADER Business Plan
- Work with local groups to exploit opportunities offered through LEADER and other funding streams
- Meet on a regular basis (as a minimum 6 times per annum)
- Promote the Programme across area
- Assist with the development of local project proposals/plans
- Once the local development plan is approved consider and make recommendations on applications seeking grant assistance up to £50,000
- Ensure wide community involvement in line with the National Standards of Community Engagement
- Comment to the strategic LAG on projects which impact locally but are of a pan Highland or are of wider local area coverage

The LEADER Programme will recruit 3 out posted Development Officers who will support the local area partnerships and be responsible for:

- Project assessment for projects falling within their boundary

- Inform the strategic LAG of their recommendations
- Report on local allocation – commitment and project progress
- Track and monitor local projects
- Give an informed view via the local area partnerships to the strategic LAG on projects which span more than one ward area
- Report to the strategic LAG on LEADER activities within the local area

Lead Partner – The Highland Council (internal)

The CPP has agreed that The Highland Council will be the lead agency for the Programme. The Council will have a duty to provide appropriate levels of management and financial control; including:

- Meet regularly (*to monitor progress of the Programme*)
- Maintain contact with the Scottish Government regarding the delivery of the Programme
- Deal efficiently with communications from the Scottish Government
- Establish a financial reporting mechanism, which will meet the requirements of the Highland LAG, Scottish Government and EU
- Keeping up to date records relating to all applications, including as detailed in Governance – annual reports to the Councils Resources Committee
- Ensure that the administration of the Programme remains within the administrative budget
- Provide a management structure for the Development Manager, Officers, the Programme Administrator and Clerical Assistant
- Ensure that the Strategic LAG is kept abreast of matters concerning the administrative delivery of the Programme
- Ensure that the Programme delivers relevant papers etc to the local partnerships and strategic LAG
- Acts as first point of contact with the UK (*and Scottish*) LEADER Network
- Processing claims and making payments

Finance

The Highland Council as Secretariat will hold accounts and bank statements for eligible expenditure and revenue. All monies received or raised by, for example, accrued interest from bank accounts will be applied to further the objects of the LEADER Programme and for no other purpose.

Delegated Authority

Authority is delegated to the Secretariat in respect of changes to approved applications, provided the amount of the original award is not exceeded. The following is a non-exhaustive list of example situations where this authority might be exercised:

- Where, during the course of an approved project, expenditure exceeds or is less than the indicative budget set, permission to switch budget between one budget head and another (without affecting the overall approved project expenditure), referred to as project virement, may be granted by the Secretariat.
- Where a project required an extension to the finish date the Secretariat may approve a change to that date.
- Where alternative, but sufficient, match funding is proposed, relative to the original application, the Secretariat may approve the necessary changes.

To ensure economies of scale and ensure financial procedures are adhered to the lead partner will handle **all** finance centrally.

Development Manager (s)

A Development Manager will be appointed to undertake the day to day running of the Programme.

The duties of the Development Manager will encompass;

- Co-ordination of Highland LEADER LAG
- Implementation of the decisions of the strategic LAG and local groups
- Promotion of the Programme at Highland and local area level
- Establishment of Programme procedures etc
- Liaison with Local area Partnership Officers and partners
- Assisting the outposted staff in the execution of their LEADER duties
- Delivery of training seminars
- Project assistance, development and advice
- Ensure compliance with EU/domestic requirements
- Project assessment where needed
- Liaison with local applicants
- Initial eligibility appraisals of applications
- Maintenance of accurate project and finance records
- Monitor financial commitments and make recommendations to the HLG on the reallocation of funds to take account of emerging priorities
- Monitor and evaluate the progress of the Programme to ensure that outcomes are being achieved at priority and measure level
- Compilation of monitoring and evaluation reports for the Highland LEADER group from project monitoring sheets and claims
- Ensure the availability of progress data to facilitate the timeous submission of quarterly claims to the Scottish Government
- Promote networking between the areas, share best practice and build confidence

Programme Administrator/Clerical Assistant

A Programme Administrator and a part time Clerical Assistant will be appointed to facilitate the work of the Highland LEADER LAG and to act as liaison between the Programme and the Scottish Government.

The duties of this post will include;

- Servicing the Highland LEADER LAG
- Servicing the local partnerships re: LEADER programme allocation
- Liaison with the Scottish Government
- Preparation of reports to be submitted to the strategic LAG and local area partnerships
- Liaison with the Highland Council regarding maintenance of financial records, which will form part of the input to the monitoring and evaluation, reports to the Programme management and to the Scottish Government
- Assisting the Development Officers in the execution of their duties
- Submission of technically eligible applications to the relevant ward/ local group
- Liaison with applicants to ensure a timeous claims process
- Assisting the Local area Partnerships/Ward Managers in relation to the LEADER Programme
- Maintenance of accurate project and financial records

Additional Rules Of Procedure For The Strategic LAG

Conduct of Meetings

Meetings of the partnership will be arranged to ensure that they are as accessible as possible to all members of the partnership and that timing, venues and the need for video / teleconferencing are suitable. Meetings will be arranged with a minimum of one month's notice where possible to avoid conflict with other commitments.

All meetings will be minuted (by the Secretariat) and those minutes will be freely available and posted on the Highland LEADER website.

Quorum

At any meeting of the strategic LAG there must be a minimum number of 50% of partners present. This must include voluntary and community partners numbering at least 25% of total partners.

If a quorum is not present, at the Chairperson's/Vice-Chairperson's discretion, the meeting shall proceed and any decisions taken will be homologated at the next meeting or by written procedure if appropriate.

Partners shall identify substitutes to attend meetings when the nominated representative is unable to attend. For purposes of the quorum, participation of partners by video-conferencing links will be considered as present.

Where a large number of LAG members declare an interest in an item, leaving the meeting inquorate for that item, the remaining members of the LAG shall be competent to debate and decide that item at the earliest opportunity, using whichever procedure is expedient.

Chair

The strategic LAG will appoint a Chairperson. At all meetings of the LAG, the elected Chairperson, or in their absence, the Vice-Chairperson shall preside over the meeting.

If both are absent, partners will choose a member to preside. Members should respect the authority of the Chairperson who will decide matters of order, competency, relevancy and urgency.

The Chairperson's duty is to preserve order and ensure that all members/partners are given a fair hearing. The Chair and Vice chair will be appointed for an interim period of one year and then for a period of two years.

Declarations of Interest

LEADER declarations of interest are intended to produce transparency in regard to interests which might influence, or be thought to influence, your actions/decisions as a LAG member.

Where an interest has been declared from a group member as the applicant then they should withdraw from the meeting while the item is discussed. Where an interest is declared from a group member directly involved with project delivery, that interest should be declared and they withdraw from the meeting while the item is discussed.

For clarification, match funders, if they are not the applicant, are eligible to participate and vote on the discussions relating to the application. Where a LAG member organisation shares Board Members, Directors or other Senior Officials with an applicant organisation, and the LAG representative of that member is aware or is made aware of such a connection, that representative should declare the connection as an interest.

Where it is felt that this would not unfairly favour or prejudice the application, the remaining members present at the meeting may decide that the organisation declaring the interest need not abstain from the discussion of, and decision on, the relevant item. Declarations of interest will be formally recorded in the minute of the meeting.

Where a member declares a financial or personal interest over and above that stated the LAG should decide if this would unfairly favour or prejudice the application and if required they should be asked to withdraw from the meeting while the item is discussed.

Order of Business

The main business of meetings will be to consider the progress of the LEADER Programme and strategic issues and, if required, to consider grant applications.

Notwithstanding this, the items of business will be considered in the following order:

- Those members present and apologies
- Declarations of interest by members
- Minutes of previous meetings will be considered as a correct record
- Matters arising
- Progress Reports
- Consideration of grant applications, as required
- Urgent business intimated at the start of the meeting
- Any other competent business included on the agenda
- Date, Time and Location of next meeting

Voting

Subject to compliance with the LEADER guidelines as laid down by the European Commission and the Scottish Government as the Managing Authority, all questions coming or arising before the meeting will be decided on a consensus basis or failing this by a majority of the members present.

Views from partner organisations submitted in writing or by e-mail prior to the meeting will be accepted and included as part of the decision making process.

While efforts will be made to seek a consensus decision, where this proves not possible a vote may be taken by a show of hands. In the event of a tie, the Chairperson will have a second or casting vote, or the discretion to refer the matter to the CPP for determination.

Role of Partners

The partners, in addition to submitting representatives to the strategic LAG , will provide overall guidance on policy and projects matters and, through its emphasis on ensuring a balanced representation of public sector agencies and community and the voluntary sector, to ensure a bottom up approach based on the ideas of local people, encouraging community involvement, partnership and innovation.

It is the responsibility of partners to communicate with other organisations in the sector which they represent. Organisations will be encouraged to appoint substitutes to attend meetings on their behalf if the usual representatives are unable to attend.

Special Meetings

Special meetings may be called at any time if the strategic LAG or Secretariat receives a request from partners setting out the purpose of the business to be considered at that meeting.

Additional Rules Of Procedure For Local Area Partnerships

Conduct of Meetings

Meetings of the partnerships will be arranged to ensure that they are as accessible as possible to all members of the partnership and that timing, venues and the need for video / teleconferencing are suitable. Meetings will be arranged with a minimum of one month's notice where possible to avoid conflict with other commitments. All meetings will be minuted and those minutes will be freely available.

Quorum

At any meeting of the local area partnership there must be a minimum number of 50% of partners present. This must include voluntary and community partners numbering at least 25% of total partners.

If a quorum is not present, at the Chairperson's/Vice-Chairperson's discretion, the meeting shall proceed and any decisions taken will be homologated at the next meeting or by written procedure if appropriate.

Declarations of Interest

LEADER declarations of interest are intended to produce transparency in regard to interests which might influence, or be thought to influence, your actions/decisions as a LAG member.

Where an interest has been declared from a group member as the applicant then they should withdraw from the meeting while the item is discussed. Where an interest is declared from a group member directly involved with project delivery, that interest should be declared and they withdraw from the meeting while the item is discussed.

For clarification, match funders, if they are not the applicant, are eligible to participate and vote on the discussions relating to the application. Where a LAG member organisation shares Board Members, Directors or other Senior Officials with an applicant organisation, and the LAG representative of that member is aware or is made aware of such a connection, that representative should declare the connection as an interest.

Where it is felt that this would not unfairly favour or prejudice the application, the remaining members present at the meeting may decide that the organisation declaring the interest need not abstain from the discussion of, and decision on, the relevant item. Declarations of interest will be formally recorded in the minute of the meeting.

Where a member declares a financial or personal interest over and above that stated the LAG should decide if this would unfairly favour or prejudice the application and if required they should be asked to withdraw from the meeting while the item is discussed.

**Indicative ward allocation based on £5m LEADER Award available for
area allocations**

Revised 11.6.08 and circulated at the Resources Committee 11.6.08

Ward Name	Ward No	2006 Population	Area	Indicative Ward Share *	Per Annum
Thurso	2	7377	11.2	£167,466	£27,911
Wick	3	6750	23.7	£151,133	£25,689
Landward Caithness	4	10867	1719	£360,561	£60,094
North, West and Central Sutherland	1	5738	4867	£455,235	£75,873
East Sutherland and Edderton	5	7786	1509	£276,877	£46,146
Cromarty Firth	7	11595	425	£290,443	£48,407
Tain and Easter Ross	8	8770	279	£216,843	£36,140
Wester Ross, Strathpeffer and Lochalsh	6	11454	4948	£589,787	£98,298
Eilean a' Cheò	11	9780	1797	£341,251	£56,875
Dingwall and Seaforth	9	12155	94	£280,985	£46,831
Black Isle	10	9573	284	£235,312	£39,219
Caol and Mallaig	12	7632	2065	£310,596	£51,766
Fort William and Ardnamurchan	22	11356	2591	£429,922	£71,654
Nairn	19	11243	355	£277,815	£46,302
Aird and Loch Ness	13	9842	2453	£386,522	£64,420
Culloden and Ardersier (part)	18	3431	144	£87,171	£14,529
Inverness South (part)	20	1920	656	£87,241	£14,540
Badenoch & Strathspey outwith CNP		225	699	£51,838	£8,640
				£5,000,000	£833,333

* based on 2/3 population 1/3 area (in keeping with the Scottish Government LEADER allocation, minus any factoring of the bid quality)

NB

1. Final award TBC with Convergence Funding, although the total area share is likely to be higher than £5m
2. Funding still to be apportioned for strategic, trans-regional/national projects and Administration costs (discussion to take place with partners and the Council's position to be agreed at a future Resources Committee meeting)
3. An indicative award of funding could be over a 5 year period or phased differently in order to encourage full take up of the programme funds.
4. Community development groups may cover more than one ward e.g. Lochaber partnership and Caithness partnership etc. Where community development groups are not yet established, Ward Managers are currently working to establish appropriate local partnership arrangements either at Ward level or for a combination of Wards.