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EUROPEAN FISHERIES FUND: Axis 4

Business Plan

To be completed by Lead Partner:

Lead Partner (Organisation name)	Highland Council
Fisheries area	Highland
Partnership name	Highland Fisheries Local Action Group

Official use only:

Strategy number (serial number/code)	
Received (date)	
Approved (date)	

Form to be filled in and returned by e-mail or post to:

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1. Description of the delivery process.

The Highland Council will be the Lead Agency for the EFF Axis 4 Programme in the Highlands. As such, the Council will have a duty to provide appropriate levels of management and financial control, including:

- receiving payments from the Scottish Executive
- employing staff on behalf of the Highland FLAG
- keeping a separate bank account relating to the activities of the FLAG
- receiving claims from applicants
- processing and paying claims
- keeping up to date records relating to applications for financial assistance

The strategic FLAG, will be the ultimate decision-making body for the Highland EFF Axis 4 Programme and will be responsible for overall governance, finance and administration as well as ensuring strategic integration with other funds. The FLAG will authorise virement of resources within the EFF Axis 4 Programme to take account of changing circumstances, opportunities and financial profile of the programme throughout the life of the Programme. The FLAG will also be responsible for ensuring that the horizontal themes of equal opportunities and sustainable development are implemented via the Programme. The FLAG will be chaired by a nominee of the membership, who will be elected at its first meeting.

The Highland FLAG recognises the importance of local involvement in the delivery of EFF Axis 4 and, where possible, will work with local community planning partnerships and the Highland LEADER Programme in developing local projects for funding. Such a model of local co-operation and involvement has previously been successful, for example in the LEADER+, PESCA and CED Programmes.

A Highland FLAG has been established to consider and determine project applications for EFF Axis 4 funding. The membership of the FLAG is as follows:

- Highland Council (3)
- HIE (1)
- SNH (1)
- Moray Firth Partnership (1)
- Moray Firth Inshore Fisheries Group (1)
- Mull and Small Isles Inshore Fisheries Group (1)
- Northwest Inshore Fisheries Group (1)
- Fish Processing organisations (2)
- Harbour authorities (2)
- Visit Scotland (1)

A part time FLAG Development Officer employed by the Highland Council on behalf of the FLAG will support the process. Applications which relate to the local area will be considered by the FLAG, which will make a final decision on the applications. The FLAG will:

- Meet at appropriate intervals to consider strategic issues and project applications. Meetings will take place 4 times annually.
- Meetings will take place at appropriate locations within the FLAG area
- Decisions on project applications will be reached by consensus (or by vote)

- The FLAG will monitor the strategy, promote the Programme, engage with the community, oversee the management process, establish networking and liaison arrangements

2. FLAG Administration & Financial arrangements

The Highland EFF Axis 4 Programme will be implemented via the FLAG. It will operate in a similar manner to the LEADER Programme but will be less complex and will have access to only modest financial resources (£500K). The Highland FLAG will require a commensurate level of support for the overall management of the Programme.

In line with the key supporting role offered by the Highland Council, it has been decided that overall co-ordination of the Programme will be undertaken by the Countryside, Heritage and Natural Resources Manager (CHNRM), who will also be responsible for liaison with the Scottish Government and for monitoring, assessing and reporting on the progress of the EFF Axis 4 Programme. The CHNRM will be supported by a part time FLAG Development Officer employed by the Highland Council to support the FLAG. Admin support will also be available within the Planning and Development Service.

Management of the EFF Axis 4 Programme will be based within the Council's Planning and Development Service, providing line-management and support services to staff employed for the Programme.

Day-to-day implementation, administrative and financial management of the Highland EFF Axis 4 Programme will be undertaken by the CHNRM, supported by a FLAG Development Officer, whose main responsibilities will be:

- To manage staff appointed for the Highland FLAG.
- To provide necessary support and information to the Highland FLAG on the progress of the Programme.
- To be responsible to the FLAG for financial management of the Programme.
- To ensure the Programme is implemented in line with the local development strategy and business plan.
- To liaise with the Scottish Government and ensure that all requirements are met.

The full Job Description and person specification for the part time FLAG Development Officers post is attached as Appendix 1 and 2 to this Business Plan.

Financial management will be supported through the Council's financial control and accounting systems.

As stated, a part time FLAG Development Officer will be appointed to carry out the necessary day to day administration of the programme in support of the Programme Manager, project assessment and case note preparation for the FLAG. The FLAG Development Officers' main duties will be:

- To provide administrative support to the CHNRM and act as the secretariat for its meetings.
- To assess projects and prepare case notes for the consideration of the FLAG
- To provide financial management of the Programme, including the processing of claims and the collation and reporting of all financial information.
- To advise on the investigation and processing of enquiries and applications for funding.
- To establish and maintain effective monitoring systems for enquiries, applications, projects, approvals, budgets and outputs.

Recruitment

The part time FLAG Development Officer will be employed within the Planning and Development Service. Work on the EFF Axis 4 Programme will be recorded and time sheets maintained to allow cost recovery.

An administrator will be allocated to the EFF Axis 4 Programme to assist with the admin of the Programme. Hours spent on the Programme will be recorded on time sheets to facilitate cost recovery.

Financial management

A financial flow is envisaged as follows:

- Initial payment from the Scottish Government to Highland Council. These monies will be deposited in a separate interest bearing bank account.
- Transfer and deposit of monies from partner bodies (Highland Council) to the above bank account to match fund the EFF Axis 4 Programme.
- Claims to be submitted by applicants to the EFF Axis 4 Administrator.
- Grant payments made to applicant upon approval of a valid claim.
- Regular reports (quarterly) to Scottish Government.

All financial transactions will be entered on the Council's ORACLE financial control system and all accounts and transactions will be available for scrutiny by the Scottish Government.

State Aids

Compliance with State Aid regulations will form part of the project appraisal process. The regulations will govern what may or may not be supported and at what level. On receipt of project applications, proposals will first be checked for state aid compliance. A check on compliance with State Aid regulations will also form part of the application process.

3. Outline of activities for further FLAG development

The Highland FLAG has been established to deliver the EFF Axis 4 Programme throughout the Highlands. The FLAG draws on the experience of those working within the fisheries sector as private operators, and public agencies with experience of delivering CED and PESCA Programmes in fisheries areas. The experience of the FLAG members is set out within the expression of interest previously submitted by the Highland Council.

The FLAG will also have a role in co-ordinating interest in an emerging Highland Axis 4 2014 – 2020 Programme. The FLAG will build capacity during the 2007/2013 Programme on the basis of experience gained. Meetings will be held in fisheries areas to help assess interest in a 2014/20 Programme and the focus of interest.

It is intended to develop and broaden FLAG membership during the remainder of the 2007/13 Programme as the FLAG assesses its engagement with fisheries communities.

Training for FLAG members has been organised and a communications strategy will be developed to ensure that the FLAG is communicating effectively.

FLAG meetings will be held in appropriate venues throughout the FLAG area and consultation meetings will be organised to help develop strategy going forward.

The FLAG will review the Strategy and Business Plan after the first year of operation. The FLAG will therefore be able to develop its approach to suit changing circumstances and in view of outputs from the strategy.

4. Project development, application and approval procedure

The following project development, application and approvals procedure will be implemented:

- Project applications will be received in response to open calls for applications. Applications will be received by the CHNRM and/or FLAG Development Officer.
- Applications will come in draft form seeking feedback from the Development Officer.
- FLAG Development Officer will provide feedback to the applicant and liaise on the final application.
- Formal and final application will be submitted 6 weeks in advance of FLAG meeting with all attachments, checks and match funding in place.
- A technical check will be undertaken by the FLAG Development Officer.
- FLAG Development Officer will undertake an assessment of the application against specific criteria set out in 5 below.
- Case notes and the assessment will be provided to the FLAG 1 week before it is scheduled to meet.
- The FLAG will meet quarterly to assess project applications.
- Decisions on applications will be reached by consensus.
- If consensus cannot be reached then the FLAG will vote on the applications.
- Declarations of interest in any application will be recorded.
- A letter of offer will be issued to successful applicants with relevant conditions as agreed by FLAG.
- Signed off letters accepting offers should be returned to the FLAG Development Officers within 2 weeks of the offer being made.
- On receipt of the signed acceptance of offer, a claim pack will be issued and the claim procedure initiated.

5 Project selection criteria

The CHNRM, the part time FLAG Development Officer and FLAG members will advise communities, businesses and individuals on project eligibility and on the development of ideas into full project applications.

The following project selection procedures and criteria have been agreed:

- Applications will be submitted on standard forms.
- Applications will, in the first instance be submitted to the CHNRM and/or the part time FLAG Development officer who will judge its technical eligibility and provide feedback.
- All eligible and final applications will be summarised, compiling a case note, providing a succinct but clear picture of the application and its fit with the selection criteria.
- The case note will then be appraised by the Highland FLAG, which will approve or reject the application.
- The FLAG will have the final responsibility for approvals.
- Applicants will then be informed of the outcome
- The decision of the Highland FLAG will be final and there will be no appeals procedure. This does not however prevent an applicant from resubmitting any proposal.
- Successful applicants will be issued with an offer of grant within ten working days of approval. Offer letters will be accompanied by a standard set of conditions on which the offer is made. Acceptance of offer of grant will be requested within two weeks.

Selection criteria will be developed from the following:

Technical:

- Form completed in full and correctly.
- Start date not prior to submission and possible appraisal timetable.
- Bank details supplied.
- Signed.
- Match funding in place.
- Planning permission in place, if required.
- Accords with the objectives of the programme and the scope of the relevant Action.
- State Aids check in place

Specific:

- Degree to which the proposal meets the objectives of the programme.
- Degree to which the proposal assists meeting the programme outputs.
- Value for money.
- State Aid limits are not exceeded.
- Additionality.
- Leverage.
- Partnership and community involvement.
- Realism of successful delivery.
- The project does not duplicate or displace other provision or activity.
- Employment generation or safeguarding.
- Socio-economic benefit to the community (of interest or physical).
- Promotion of sustainable development.
- Promotion of equal opportunities.
- Transferability.
- Environmental impact.
- Degree to which the project will be self-sustaining.

State Aid will be assessed by considering whether all four of the following criteria apply to an application:

Is there a transfer of state resources?

Is economic advantage provided to a commercial undertaking?

Is the advantage given selectively to one or more specific firms?

Does competition exist and is there potential for trade between the UK and another country in the market concerned?

In cases where this suggests there may be an issue with State Aid, and if the applicant is an SME, then it will be investigated whether the de minimus rule might apply. This would involve checking with the applicant on total public funding received over the last 3 years. In all such cases advice will be taken from the Council's European Officer before grant is approved. If State Aid applies the letter of offer will indicate that the funding award is de minimus.

6. Planned procedures for monitoring and evaluation

The Highland FLAG will monitor individual projects and, in due course, evaluate how they collectively meet the targets set. The FLAG proposes the following relevant target indicators for measurement of the success of the Programme across all Axes:

Activity, Output, and Result Indicators

Indicators	Highland FLAG target
ACTIVITY INDICATORS	
Measure 1	
Number of fisheries sector training courses successfully completed	20
Number of school leavers undertaking training in maritime skills	20
Number of enterprises started up as a result of training undertaken	10
Number of community development plans prepared and being implemented	4
Number of young people entering the maritime sector	Increase
Population leaving the FLAG area	Reduced
Measure 2	
Number of product development/ enhanced value projects assisted	5
Number of collaborative management and exploitation projects supported	5
Increase in value of products sold locally	5%
Increase in volume of locally caught fisheries products sold locally	5%
Measure 3	
Number of additional tourism businesses underway	10
Number of harbour infrastructure improvements	15
Number of community development projects completed	10
Number of jobs retained or created in fisheries areas	20
Measure 4	
Number of interpretive tourism businesses offering new experiences	5
Increase in number of people undertaking nature/culture tourism excursions	5%
Number of new interpretive materials available in FLAG area	20
Feedback from people undertaking new experiences	+ve

Measure 5	
Number of collaborative projects run with FARNET partners	2
Feedback from community reps undertaking national or trans-national projects	+ve
Number of ideas/solutions transferred and implemented via national or trans-national projects	2

To ensure consistency in measurement of achievement and outcomes the definition of the individual indicators will be agreed with Scottish Government during the remainder of 2011.

Outputs and targets will evolve as the EFF Axis Programme proceeds – any initial targets at Programme level would be purely indicative at this stage. It is essential that the FLAG members are engaged in establishing relevant indicators, baselines and monitoring framework as part of the local development planning process.

Targets for individual projects will be confirmed in the offer letter and achievement will be monitored by the CHNRM and the part time FLAG Development Officer.

7. Communication, information & publicity

The Highland FLAG's communications and publicity policy will aim:

- To raise awareness of the Highland EFF Axis 4 Programme and of the roles of the FLAG.
- To promote the aims and objectives of the Programme in the context of the wider development of the Highland FLAG area.
- To attract potential beneficiaries, both communities and individuals from the target groups.

The strategy will involve both printed and web based material as well as face to face contact, and will be a mainstream responsibility of the three CHNRM and FLAG members. They will use a combination of local media, community contact and thematic networks.

The CHNRM and FLAG members will advise communities, businesses and individuals on project eligibility and on the development of ideas into full project applications.

Project selection procedures will involve the compilation of case notes for eligible projects giving a succinct but clear picture of the project and its fit with the selection criteria. Case notes will be appraised by the FLAG. Electronic communication will be used to speed the process.

As previously stated, selection criteria will involve both technical evaluation and an evaluation of the project against key aspects of the EFF Axis 4 principles and this development plan.

The Highland FLAG will monitor individual projects and evaluate how they collectively meet the Programme targets set. The FLAG proposes a set of Activity, Output and Result target indicators across all measures. Consistency of measurement is crucial and indicator definitions will be agreed and confirmed in the offer letter, with achievement being monitored by the CHNRM and Programme administrator. It is important to note that outputs and targets should evolve as the Programme proceeds and to this end, the target indicators included in the business plan are indicative at this stage. The strategy and business plan will be revised after the first year of operation.

8. Detailed financial information

Detailed financial information is set out in Annex A – C.

Allocations in respect of contributions towards the running costs of the EFF Axis 4 Programme and the FLAG are included at 15% of the overall budget and are in addition to the budget for individual measures. The allocation is intended to cover the costs of a part-time FLAG Development Officer and Admin support from within the Planning and Development Service.

The remainder of the total budget of £500K is allocated across the respective measures planned for the Programme.

For the purpose of the financial tables an exchange rate of 1.1583 Euro to the £1 is used.

Table 1: Total eligible costs (in €)

	Eligible measures	2011	2012	2013	Total cost
(a)	strengthening the competitiveness of the fisheries areas;				
(b)	restructuring and redirecting economic activities, in particular by promoting ecotourism, provided these actions do not result in an increase in fishing effort; (Measure 4)	34,555	69,108	69,108	172,771
(c)	diversifying activities through the promotion of multiple employment for fishers through the creation of additional jobs outside the fisheries sector; (Measure 1)	34,555	69,108	69,108	172,771
(d)	adding value to fisheries products; (Measure 2)	45,550	69,108	69,108	183,766
(e)	supporting small fisheries and tourism related infrastructure and services for the benefit of small fisheries communities; (Measure 3)	115,180	230,360	230,360	575,900
(f)	protecting the environment in fisheries areas to maintain its attractiveness, regenerating and developing coastal hamlets and villages with fisheries activities and protecting and enhancing the natural and architectural heritage;				
(g)	re-establishing the production potential in the fisheries sector when damaged by natural or industrial disasters;				
(h)	promoting inter-regional and trans-national cooperation among groups in fisheries areas, mainly through networking and disseminating best practice; (Measure 5)		57,600		57.600
(i)	acquiring skills and facilitating the preparation and implementation of the local development strategy;				
	TOTAL	229,840	495,284	437,684	1,162,808
	average grant rate (%)	50%	50%	50%	
(j)	contributing to the running costs of the groups. (NB: Not included and additional to measure spend on measures)	28,800	28,800	28,800	86,400

Table 2: Sources of funding for eligible costs: Main measures Year 2011 (in €)

	Eligible measures	EFF Axis 4 funding	Other public funding	Private funding	Total
(a)	strengthening the competitiveness of the fisheries areas;				
(b)	restructuring and redirecting economic activities, in particular by promoting eco-tourism, provided these actions do not result in an increase in fishing effort; (M4)	17,277	8,638	8,638	34,555
(c)	diversifying activities through the promotion of multiple employment for fishers through the creation of additional jobs outside the fisheries sector; (M1)	17,277	8,638	8,638	34,555
(d)	adding value to fisheries products; (M2)	22,775	11,388	11,388	45,550
(e)	supporting small fisheries and tourism related infrastructure and services for the benefit of small fisheries communities; (M3)	57,590	28,795	28,795	115,180
(f)	protecting the environment in fisheries areas to maintain its attractiveness, regenerating and developing coastal hamlets and villages with fisheries activities and protecting and enhancing the natural and architectural heritage;				
(g)	re-establishing the production potential in the fisheries sector when damaged by natural or industrial disasters;				
(h)	promoting inter-regional and trans-national cooperation among groups in fisheries areas, mainly through networking and disseminating best practice; (M5)				
(i)	acquiring skills and facilitating the preparation and implementation of the local development strategy;				
(j)	contributing to the running costs of the groups.				

Table 3: Sources of funding for eligible costs: Main measures Year 2012 (in €)

	Eligible measures	EFF Axis 4 funding	Other public funding	Private funding	Total
(a)	strengthening the competitiveness of the fisheries areas;				
(b)	restructuring and redirecting economic activities, in particular by promoting eco-tourism, provided these actions do not result in an increase in fishing effort; (M4)	34,555	17,277	17,277	69,108
(c)	diversifying activities through the promotion of multiple employment for fishers through the creation of additional jobs outside the fisheries sector; (M1)	34,555	17,277	17,277	69,108
(d)	adding value to fisheries products; (M2)	34,555	17,277	17,277	69,108
(e)	supporting small fisheries and tourism related infrastructure and services for the benefit of small fisheries communities; (M3)	115,180	57,590	57,590	230,360
(f)	protecting the environment in fisheries areas to maintain its attractiveness, regenerating and developing coastal hamlets and villages with fisheries activities and protecting and enhancing the natural and architectural heritage;				
(g)	re-establishing the production potential in the fisheries sector when damaged by natural or industrial disasters;				
(h)	promoting inter-regional and trans-national cooperation among groups in fisheries areas, mainly through networking and disseminating best practice; (M5)	28,800	14,400	14,400	57,600
(i)	acquiring skills and facilitating the preparation and implementation of the local development strategy;				
(j)	contributing to the running costs of the groups.				

Table 4: Sources of funding for eligible costs: Main measures Year 2013 (in €)

	Eligible measures	EFF Axis 4 funding	Other public funding	Private funding	Total
(a)	strengthening the competitiveness of the fisheries areas;				
(b)	restructuring and redirecting economic activities, in particular by promoting eco-tourism, provided these actions do not result in an increase in fishing effort; (M4)	34,554	17,277	17,277	69,108
(c)	diversifying activities through the promotion of multiple employment for fishers through the creation of additional jobs outside the fisheries sector; (M1)	34,554	17,277	17,277	69,108
(d)	adding value to fisheries products; (M2)	34,554	17,277	17,277	69,108
(e)	supporting small fisheries and tourism related infrastructure and services for the benefit of small fisheries communities; (M3)	115,180	57,590	57,590	230,360
(f)	protecting the environment in fisheries areas to maintain its attractiveness, regenerating and developing coastal hamlets and villages with fisheries activities and protecting and enhancing the natural and architectural heritage;				
(g)	re-establishing the production potential in the fisheries sector when damaged by natural or industrial disasters;				
(h)	promoting inter-regional and trans-national cooperation among groups in fisheries areas, mainly through networking and disseminating best practice; (M5)				
(i)	acquiring skills and facilitating the preparation and implementation of the local development strategy;				
(j)	contributing to the running costs of the groups.				

Table 5: Funding profile (in €)

	Eligible measures	Total eligible expenditure (a)	Proposed average rate of grant (b)	FLAG Budget (= a x b)
(a)	strengthening the competitiveness of the fisheries areas;			
(b)	restructuring and redirecting economic activities, in particular by promoting eco-tourism, provided these actions do not result in an increase in fishing effort; (M4)	172,771	50%	86,385.5
(c)	diversifying activities through the promotion of multiple employment for fishers through the creation of additional jobs outside the fisheries sector; (M1)	172,771	50%	86,385.5
(d)	adding value to fisheries products; (M2)	183,766	50%	91,883.0
(e)	supporting small fisheries and tourism related infrastructure and services for the benefit of small fisheries communities; (M3)	575,900	50%	287,950.0
(f)	protecting the environment in fisheries areas to maintain its attractiveness, regenerating and developing coastal hamlets and villages with fisheries activities and protecting and enhancing the natural and architectural heritage;			
(g)	re-establishing the production potential in the fisheries sector when damaged by natural or industrial disasters;			
(h)	promoting inter-regional and trans-national cooperation among groups in fisheries areas, mainly through networking and disseminating best practice; (M5)	57,600	50%	28,800.00
(i)	acquiring skills and facilitating the preparation and implementation of the local development strategy;			
(j)	contributing to the running costs of the groups.			