

ARIA Fund LAG (A-LAG) MEETING**10th May 2023****13:30 – 15:45****South Ayrshire Council County Buildings, Girvan Room****Attendees**

LAG Members			
Non- Public Sector	Attended	Public Sector	Attended
Jean Brown (JB)	X	Eddie Bulik (EB)	X
Kevin Brown (KB)		Emma McMullen (EM)	X
Barbara Conner (BC)	X	Jamie Tait (JT)	
Chris Campbell (CC)			
Claire Donaldson (CD)	X		
Holly Fitzsimmons (HF)			
Alistair (Ally) Henry	X		
Marie Oliver (MO)	X		
Jim Watson (JW)	X		
LAG Advisors			
		Mhairi Paterson (MP)	
		Sarah Smillie (SS)	
Lead Partner Representative(s)			
		Kevin Anderson (KA)	
		Mike Newall (MN)	

LAG Staff	Attended
Angela Lamont (AL)	X

Apologies

Kevin Brown

Holly Fitzsimmons

Mhairi Paterson

Sarah Smillie

Acronyms

CLLD Community Led Local Development

CWB Community Wealth Building

EAC East Ayrshire Council

MoU Memorandum of Understanding

NAC North Ayrshire Council

NFUS National Farmers' Union of Scotland

SAC South Ayrshire Council

SG Scottish Government

SRUC Scotland's Rural College

Welcome	Actions
<p>JW welcomed everyone to the meeting, introduced new LAG Member AH and invited round table introductions.</p> <p>Quorum The meeting had 8 LAG Members so was quorate with at least 50% of the 12 standing LAG Members. This comprised 6 non-public sector and 2 public sector, fulfilling the minimum 51%:49% non-public: public requirement.</p>	

<p>Register of Interests No changes to the standing register of interests were noted.</p> <p>Conflicts of Interest No conflicts of interest for agenda items were noted.</p> <p>Minutes of Last Meeting The meeting minutes of previous, 22nd March LAG meeting were approved. Based on his lengthy SG experience, AH noted the staffing section, commenting it was imperative extra staff are recruited to share the workload of the Co-ordinator/allow for a strategic role. This was noted, JW commenting efforts had been made to progress recruitment with SAC.</p> <p>AL ran through the actions:</p> <p>Continued</p> <ul style="list-style-type: none"> • AL to pursue LAG Advisor representation for new priority themes, disability groups and groups from areas of deprivation from autumn 22. Tender brief in place/approved by LAG. To go out once SG 23/24 grant letter received. • KB/MN/JW to establish MoU/amend constitution in short life working group with deadline of mid-Sept 22. Internal Audit action that the constitution and MoU are in place prior to allocation of grants. Completed – Group Protocol in place, MoU signed by SAC/ARIA. <p>New</p> <ul style="list-style-type: none"> • AL to inform AH his request to join LAG had been successful. Completed. • AL to seek remainder of Group Protocol signatures by email. JT outstanding. • AL to set date of 1st MSG meeting. Completed. • AL to advise on LAG meeting dates for 23/24 following next LAG meeting. Next meeting Aug 23, date to be set, following meetings (assessment meetings) suggested as mid-Sept 23 and early Nov 23. To be confirmed once opening/closing dates for funds confirmed. • AL to make payment to Crag Community Arts and seek information on classes/workshops. Completed. • AL/LAG Members to work up proposals (assets management/community action plans/video project) for 23/24. Completed – to be presented at meeting. • AL to circulated suggested dates for May 23 LAG meeting. Completed. <p>LAG Member Updates/Lead Partner Changes AL reported the following:</p> <ul style="list-style-type: none"> • Resignation of Bruce Davidson, end Mar 23. • Joining of AH, this was his first LAG meeting. <p>Group Protocol AL reported the Group Protocol had been signed by all but 1 LAG Member, JT. She also asked if the liability limitation insurance discussed in the draw up of the Group Protocol was necessary, given the steps taken to limit liability on members already:</p> <ul style="list-style-type: none"> • The ARIA LAG is no longer a constituted group, the most open/risky structure. • The financial transactions of the fund are clearly stated as being the responsibility of SAC in the Group Protocol and critically the MoU. <p>She asked for member comment/approval on this, this was granted.</p>	
<p>Fund/SG Update</p> <ul style="list-style-type: none"> • Fund Finance (Standing Item)/Allocation <p>AL stated the ARIA 23-24 Budget spread sheet circulated was the template which would be used to present fund finance from now on. She also reported the Ayrshire allocation had been increased from c. £534k in 22/23 to c.£598k in 23/24, giving an extra c. £65k.</p>	

<ul style="list-style-type: none"> • Community Led Vision (CLV) AL thanked the LAG Members who had replied with comments on this, and reported approval by SG was not required for the allocation to be released, so would finalise it following the LAG meeting. The SG grant award letter was expected outwith this. • Staffing AL reported her interview with SAC was pending (18th May 23), but regards the Project Officer and Administrative Assistant recruitment, discussion had been underway with SAC since Mar 23 but no significant progress had been made. This meant, if recruitment was initiated in May 23, staff would be in place by Sept 23 at the earliest (with a 3 month lead time). She commented it was anticipated the funds would be opened/closed by this time, but reported she had obtained quotes for support through the CLLD network and sought LAG approval for this. This was granted. AL reported 2 of the 4 consultants were available full time which was advantageous. • Internal Audit AL reminded the LAG ARIA had been awarded the highest audit rating, Substantial Assurance in the recent (Mar 23) SAC Internal Audit exercise. She made comment on the good working relationship ARIA had with this department. • Aviemore AL reminded the LAG of the CLLD conference in Aviemore on 17th and 18th Apr 23 which she, LAG Chair JW and Vice Chair KB had attended. She said their take-aways would be covered in the presentations, but that SG had reported the following, announced on that day: <ul style="list-style-type: none"> ○ New SG priorities: equality, opportunity and community. ○ Development of a Rural Delivery Plan (for launch in 2026) which the CLLD network would be key stakeholders in. The 2023 Scottish Rural Parliament, to be held in Fort William on 1st – 3rd Nov 23 would be a key consultation event for this. AL suggested an ARIA contingent attend; this was met with agreement. EM reported she was attending to represent the NA islands and could also represent ARIA. 	
<p>ARIA Priorities AL ran over the ARIA Priorities 23-24 table which had been circulated with the draft CLV/meeting papers. There was agreement on the wording of the priorities/objectives. She commented she would circulate it again to gain feedback on the project examples.</p> <p>Discrete Fund/LAG Led Projects Discrete Funds AL ran through the discrete funds which had been raised at the 22nd Mar 23 LAG meeting:</p> <ul style="list-style-type: none"> • Capacity Building/Community Action Plan Fund – to action, refresh or develop Community Action Plans from scratch. Important for building the pipeline of projects, the longer term ARIA strategy. <ul style="list-style-type: none"> ○ EM reported the Arran/Cumbræ Islands Plans were now at delivery stage and would sit well within this fund. She commented on the model being rolled out to the mainland. ○ BC commented on the potential need for Community Action Plans to be developed in NA as they sat withing the Local Outcomes Improvement Plan (LOIP) and ownership by communities could perhaps be improved. ○ EB reflected that EA had recently undergone a comprehensive exercise to help develop Community Action Plans and each community should have 1. Some had recently been refreshed. • Community Asset Maintenance Fund – a buildings maintenance register to be drawn up for assets in community hands. The fund would finance the register and an upfront sink fund of £2k for repairs. 	<p>AL to re-circulate ARIA Priorities 23-24 table and gain feedback on project examples.</p>

- Opinion was split on keeping the Community Asset Maintenance Fund title or naming it the Stitch in Time Fund. A 3rd suggestion was made as Be Prepared.
- JW raised financial planning as an important aspect of this fund, groups including finance of maintenance/repairs in their business plans. It was discussed this be looked at as a next step for 24/25. BC reported business planning was covered in free training by Just Enterprise and First Port.
- **Video Project/Fund** – to develop video skills (the top sought after CV skill) in a range of groups, culminating in a video application for a small, £2.5k - £3k grant. This would have the additional aim of enhancing the Young People engagement sought by ARIA.
 - CD highlighted the importance of this fund for inclusion. To be continued in 24/25?
 - BC stated she knew of groups who could bid for the training aspect of this project, but they found Public Contracts Scotland (PCS) prohibitive. AL to review probable contract cost and invite bidders not on on PCS if <£10,000 (the SAC threshold for PCS).
- **Competitive Fund** – open to projects hitting the ARIA priorities.

AL to review video project brief and invite bidders outwith PCS if value <£10,000.

Approval was granted for these to be the vehicles for allocation in 23/24.

AL ran through suggested dates for the funds:

Fund	Priority/Strategy	Launch	Closing	Assessment
Capacity Building/Community Action Plans	Quality of Life/project pipeline	Together – mid June	Mid Aug	Mid Sept
Competitive	All		End Sept	Early Nov
Community Asset Maintenance	Community Wealth Building			
Video Project – Small Grants	Enterprise – skills development	Run Oct - Dec		Jan/early Feb 24

These were approved. AL highlighted these were ideals with the following risks which may impact:

- Delay with recruitment of Project Officer/Administration Assistant. This could be mitigated with the external support approved earlier.
- Transfer to SAC's IT systems, ensuring external officers have access to the shared Teams site and this is adequate.
- AL planned leave 30th Jun to 7th July 23. This could be mitigated with an SAC officer looking after the fund email address.

LAG Led Projects

AL presented 3 proposed LAG led projects, though stated MSG discussion favoured only the 1st proposal.

- **Community-Led/Sustainable Tourism Stimulation**

AL/JW reported that they had had contact with SCOTO, Scottish Community Tourism, the umbrella body for community-led tourism in Scotland as result of the Aviemore conference. As:

- Tourism had featured as a key rural Ayrshire sector in the ARIA strategy.
- The subject hit all of the ARIA priorities,

- Despite various strategies/organisations throughout the years, tourism seemed to struggle in mainland Ayrshire,
- There were pockets of community-led/sustainable tourism activity across the region (including yurts/glamping pods funded by Ayrshire LEADER) but a unified approach was lacking,

a proposal had been discussed with SCOTO to draw together/stimulate activity. This would also feed into the longer term project pipeline strategy.

A proposal had been submitted for a mapping exercise of the community-led/sustainable tourism activity in rural Ayrshire and a pilot project in each of the LA areas. The LAG approved this project idea and AL said she would circulate the proposal for comment. As it was >£10,000 she said it would need to go to tender.

Comments included:

- EM raised the 2022 regional tourism strategy (linked to the Regional Economic Strategy) and encouraged link up. She said she could pass on officer contact details.
- AL mentioned making contact with Ayrshire and Arran Destination Alliance (AADA). There was comment this may be for larger private concerns but their recent conference attended by CD suggested otherwise. The conference she felt was hugely positive.

- **Young People Knowledge Share/Precursor to Ayrshire Rural Youth Forum/LAG**

AL/JW reported that, counter to the enthusiasm generated at Aviemore for youth LAGs, feedback from areas running them was on the resource commitment required. Some areas had fed back on the short-lived nature of Young People on their LAG, so had resolved to include key Young People groups and ring-fence a budget for Young People projects. It was suggested this be adopted by ARIA through the pending LAG refresh/in 24/25. Cairngorms CLLD are planning a workshop on learnings from their 22/23 youth LAG co-operation project which can be attended to consolidate the course of action.

- **Social Enterprise Support**

Following contact with South Ayrshire Social Enterprise Network (SASEN) (a bespoke network to provide specific social enterprise support), AL suggested a LAG led project to replicate the model in NA and EA. However:

- SASEN is in its infancy, and it was felt might be better to take learnings from eg: Grow Biz.
- NA and EA offer social enterprise support to varying degrees.
- Support for social enterprises should sit with the TSIs.

AL and EM had set up a meeting to discuss this with officers from NAC and EAC. It was concluded the meeting should continue but emphasis be placed on the areas submitting projects ideas rather than a LAG led approach.

Suggested Fund Sizes

AL highlighted the need to ring-fence budgets for the discrete funds to send a clear signal to communities. This was agreed. The fund sizes were suggested as below:

	£	Comment
Total Allocation	£598,168.23	
Est. Admin/Animation	£145,000.00	Staffing, support, ICT, internal audit, LAG expenses etc

AL to circulate SCOTO community-led tourism proposal.

EM to send on details of officers involved in the new regional tourism strategy.

AL to contact AADA re: community-led tourism.

Remainder	£453,168.23	
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Fund/Project		Ave Grant	No Projects	Other	Total
Funds	Capacity Building	£15,000.00	10	NA	£150,000.00
	Community Asset Maintenance	£5,000.00	15	NA	£75,000.00
	Video Project	£2,500.00	8	£10,000 – training partner	£30,000.00
LAG Led Projects	Community Led Tourism		NA		£20,000.00
	Other		NA		£10,000.00
Total					£285,000.00
Remainder - Competitive Fund		£13,000.00	13		£168,168.23 - minimum

AL commented the figure for the competitive fund would be a minimum and suggested they allot £200k to account for under spends/extra monies allocated by SG. This and the other proposed budgets were approved. JW also proposed a reserve list of applications in the event of extra monies allocated by SG which was agreed on.

Fund Criteria

AL ran through the proposed fund criteria for 23/24, highlighting continuation from/difference with 22/23:

22/23	23/24
Grant Size: £5k - £50k	No change Capital Asset Maintenance limit £5k + £2k sinking fund.
Intervention Rate: 90%	No change
Payment Schedules	No change
<ul style="list-style-type: none"> Community/3rd Sector 50% upfront 25% interim 25% on provision of evidence Business: all arrears, final 25% on evidence 	No change
Eligible Area – as map.	As 22/23 +
<ul style="list-style-type: none"> Orgs outwith delivering within – Ok Exceptions considered 	<ul style="list-style-type: none"> Settlements <10,000 Classified rural in most recent SG Urban/Rural Classification/Nat Record Statistics
Priorities ≥ 1 ARIA ≥ 1 SG	As 22/23 but: Strict – No more than 2 of each? - Remove explanation

These proposals were approved. On the eligible area map, the addition of conurbations of <10,000 residents if classified as rural in the most recent SG Urban/Rural Classification or the National Record of Statistics was suggested by the James Hutton Institute (on contact AL, EB and previous LAG Member Bruce Davidson had had with them).

22/23	23/24
<p>Eligible Orgs</p> <ul style="list-style-type: none"> Community/3rd sector with const/incorp. Without – apply though parent. Businesses Farms Individuals Public bodies Orgs < 249 employees 	<p>Remove individuals/public bodies (clash with orgs >250 employees being ineligible)?</p> <p>Capacity Building Fund– emphasis on applying with parent, less formalized groups.</p> <p>Community Asset Maintenance Fund– orgs with:</p> <ul style="list-style-type: none"> Asset acquired by CAT/other means Long term lease with responsibility for repairs
<p>Eligible Activity - Examples</p> <ul style="list-style-type: none"> Technical/feasibility studies – destination determined/specified Training – specific to priorities/not 1^o/2^o/3^o education progs Staff costs – sal/NI/pension, amount fixed Running costs – specific/over & above Events 	<p>As 22/23 + capitalisation thresholds (discussed on pg 8) with examples.</p> <ul style="list-style-type: none"> Staff costs - sal + 17% on costs? Fair Work First criteria*
<p>Cost Evidence</p> <ul style="list-style-type: none"> 3 quotes > £500 – main, £1,000 – extra capital 1 piece of cost evidence < £500/£1,000 Salaries – past payslips/benchmarking 	<ul style="list-style-type: none"> 3 quotes > £1,000 1 piece of cost evidence £500 - £1,000 No change

*From 1st July 23 all public sector grants to adhere to **Fair Work First criteria** – Real Living Wage + effective workers’ voice (eg: union) = mandatory.

AL explained the rationale behind the salary + 17% ‘on-costs’ proposal:

- Working out actual national insurance/pension contributions for certain projects in 22/23 had taken a disproportionate amount of time/resource for amounts involved.
- She had canvassed accountants and 17% was a figure agreed.

The proposals were approved, but it was suggested SAC Internal Audit be consulted on the 17% on costs and the quotes/cost evidence proposals.

AL to contact SAC Internal Audit re: 17% ‘on-cost’ proposal and quotes/cost evidence proposals.

22/23	23/24
<p>Planning /Buildings Standards In place for application</p>	<p>No change (given timescales)</p>

Costs Checks

In-depth – all applications/claims

- Check on cost list
- In-depth: proportion of application/claims

Projects End Date

28th Feb

No change – allows slippage but allows for adherence to SG deadlines.

Finer detail worked up with MSG?

Regarding the costs checks, AL gave the explanation that in 22/23 they had been operating to LEADER standards (in-depth check on all costs) without the luxury of LEADER timescales, which had precluded the required throughput of applications (resulting in full allocation not being distributed). She highlighted the need for *greater* throughput this year, with the increased allocation and revenue projects (smaller), so reported she had canvassed other funders to learn their processes. All had been SG, some from the CLLD network.

The trend was for a check on the cost list/to ensure evidence had been submitted (a requirement for all applicants) with an in depth costs checks on a proportion, the standard being 10%. Scottish Borders (SB) CLLD had in contrast conducted checks on 20%, of applications and claims; this had been accepted by SB Council Internal Audit department and had worked well. AL said she had obtained agreement on this from SAC Internal Audit and proposed this be adopted for 23/24.

The proposals were approved, but AH suggested with the nature of revenue projects (smaller, more disparate costs) that ARIA recontact SAC Internal Audit to suggest a minimum of 10-15% checks. AL to do this.

Capitalisation Thresholds

AL lastly ran through ‘capitalisation thresholds’ for the revenue fund in 23/24 – amounts which can be spent on ‘capital’ items which would deem them revenue. These are given below:

Land and Buildings	
Inclusion of property in the Asset Register	£10,000
Enhancements to land, building structures and car parks	£10,000
Enhancement to fixed plant & machinery	£5,000
Replacement of an existing sub asset in its entirety	No limit
Artwork	£5,000
Vehicles, aircraft & vessels	£5,000
ICT, Hardware & Software and Telecommunications	
ICT projects – minimal value attainable	£100,000
Single purchase/transaction	£25,000

She highlighted that the definition of the thresholds is the amount *per item* (plus VAT where applicable), not the fund contribution towards the item. The categories in bold she felt would be most applicable to the fund, ie:

- **Enhancements to land, building structures and car parks** could be electrical vehicle charging points, energy efficiency measures or small renewable technologies.

AL to recontact SAC Internal Audit to propose in-depth cost checks on a minimum of 10-15% of applications/claims.

<ul style="list-style-type: none"> • Replacement of an existing sub asset in its entirety could be replacement of a solar panel in a larger array. • ICT projects could be the digital hubs proposed in the ARIA strategy (NB: ARIA grant maximum - £50,000). 	
<p>AOCB & Next Meeting The next meeting was proposed for Aug 23, a relatively short meeting to discuss/approve post-approval procedures. AL/JW reported they would strive to hold LAG meetings in person, but as this one was short AL would canvas on preference for in-person/Teams and set a date.</p>	AL to set date for Aug 23 LAG meeting.

Actions

Continued

- AL to pursue LAG Advisor representation for new priority themes, disability groups and groups from areas of deprivation from autumn 22. **Tender brief in place/approved by LAG.** Jim
To go out once SG 23/24 grant letter received.
- AL to seek remainder of Group Protocol signatures by email. **JT outstanding.**

New

- AL to re-circulate ARIA Priorities 23-24 table and gain feedback on example project types.
- AL to review video project brief and invite bidders outwith PCS if value <£10,000.
- AL to circulate SCOTO community-led tourism proposal.
- EM to send on details of officers involved in the Regional Tourism Strategy.
- AL to contact AADA re: community-led tourism.
- AL to contact SAC Internal Audit re: 17% 'on-cost' proposal and quotes/cost evidence proposals.
- AL to recontact SAC Internal Audit to propose in-depth cost checks on a minimum of 10-15% of applications/projects.
- AL to set date for Aug 23 LAG meeting.

James Watson

Jim Watson
LAG Chair

16th Aug 2023