

# Public Document Pack

## **Argyll and Bute Council** **Comhairle Earra Ghaidheal agus Bhoid**

Customer Services  
Executive Director: Douglas Hendry



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10 November 2014

### **SUPPLEMENTARY PACK 1**

#### **ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE - COUNCIL CHAMBER, KILMORY, LOCHGILPHEAD on THURSDAY, 13 NOVEMBER 2014 at 10:30 AM**

I enclose herewith item 4 (2014-2020 LEADER PROGRAMME - ACCOUNTABLE BODY ROLE) which was marked "to follow" on the Agenda for the above Meeting.

Douglas Hendry  
Executive Director – Customer Services

#### **ITEM TO FOLLOW**

- 4. 2014-2020 LEADER PROGRAMME - ACCOUNTABLE BODY ROLE**  
Report by Executive Director – Development and Infrastructure Services (Pages 1 - 8)

#### **ENVIRONMENT, DEVELOPMENT AND INFRASTRUCTURE COMMITTEE**

Councillor Vivien Dance	Councillor Anne Horn
Councillor David Kinniburgh	Councillor Bruce Marshall
Councillor Iain MacDonald	Councillor Alistair MacDougall
Councillor Duncan MacIntyre	Councillor Robert Graham MacIntyre
Councillor Donald MacMillan	Councillor Alex McNaughton
Councillor Ellen Morton	Councillor Elaine Robertson
Councillor Sandy Taylor	Councillor Richard Trail
Councillor Dick Walsh	

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**ARGYLL AND BUTE COUNCIL****Environment, Development & Infrastructure  
Committee****DEVELOPMENT AND  
INFRASTRUCTURE SERVICES****13<sup>th</sup> November 2014**

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**2014-2020 LEADER Programme – Accountable Body Role**

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**1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is for the Environment, Development and Infrastructure (EDI) Committee to approve the proposal that Argyll and Bute Council, through the European Team, takes on the role of 'Accountable Body' for the 2014-2020 Argyll and the Islands LEADER<sup>1</sup> programme as proposed by the Local Action Group (LAG).
- 1.2 The responsibilities of the Accountable Body as described by the Scottish Government are<sup>2</sup>:
- has delegated responsibility for administering LEADER finances under the terms of the Service Level Agreement with the Scottish Government;
  - to be responsible to the LAG for supporting the operation of the LEADER programme and supporting successful implementation of the LEADER Local Development Strategy;
  - to employ staff on behalf of the LAG (staff will work for and report to the LAG);
  - the LAG has a role to play in working with the Accountable Body to ensure sound financial management of the LEADER programme; and
  - the LAG and the Accountable Body will operate under a Memorandum of Understanding.
- 1.3 The Argyll and Bute Council has had a similar role (as Lead Partner) in the 2000-2006 LEADER+ and 2007-2013 LEADER programme and this would be seen as a continuation of this role.
- 1.4 Argyll and Bute Council proposes to host the employment of five full-time staff members to fulfil its Accountable Body role for the 2014-2020 LEADER programme, where a key emphasis is to have Development Officers who will undertake the required 'animation' of LEADER grant funding across the Argyll and the Islands area. The 2007-2013 programme hosted the employment of four full-time staff. These costs are paid from an administration budget within the LEADER programme. In addition, during the last programming period there was about three full-time equivalent of in-kind staff input required to fulfil Lead Partner obligations. The final staff complement will be subject to confirmation once the remits of the staffing roles have been defined more clearly by the Scottish Government.

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<sup>1</sup> LEADER – French acronym: Liaison Entre Actions de Développement de l'Economie Rurale.

<sup>2</sup> LEADER Planning Guidance produced by the Scottish Government (June 2014)

- 1.5 It is the intention to bid for £6.4 million of LEADER grant funding within the Argyll and the Islands Business Plan, which will accompany the LEADER Local Development Strategy. Given that Argyll and Bute Council has now built up a team of very experienced staff as the Accountable Body for LEADER, it would be extremely unlikely for any other organisation to wish to undertake such a role going forward. Therefore, a decision not to approve the council as the Accountable Body could jeopardised this significant level of investment being secured for the Argyll and the Islands area for the next six years to 2020.
- 1.6 The role of Accountable Body will be set within a legal framework which involves a Service Level Agreement with the Scottish Government and a Memorandum of Understanding with the LAG. The details of these documents will be finalised once the Scottish programming documents have been approved by the European Commission and the Argyll and the Islands LEADER Local Development Strategy and Business Plan are approved by Scottish Government.

**2014-2020 LEADER Programme – Accountable Body Role**

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**2.0 INTRODUCTION**

- 2.1 The purpose of this report is for the EDI Committee to approve the proposal that Argyll and Bute Council, through the European Team, takes on the role of 'Accountable Body' for the 2014-2020 Argyll and the Islands LEADER programme as proposed by the Local Action Group (LAG) (see **Appendix 1**).
- 2.2 The Argyll and Bute Council has had a similar role (as Lead Partner) in the 2000-2006 LEADER+ and 2007-2013 LEADER programme and this would be seen as a continuation of this role.

**3.0 RECOMMENDATIONS**

- 3.1 The EDI Committee approves the request from the Argyll and the Islands LAG for Argyll and Bute Council to be the Accountable Body for the 2014-2020 LEADER programme.

**4.0 DETAILS**

- 4.1 Since 2000, the Argyll and Bute Council has acted as Lead Partner for the Argyll, the Islands Skye, Lochalsh and Lochaber LEADER+ Programme, known as WHELK (2000-2006) and for the subsequent Argyll and the Islands LEADER programme (2007-2013) on behalf of the LAG, the strategic decision making body for the programme.
- 4.2 The LAG has requested that Argyll and Bute Council retains its Lead Partner function, which will be referred to as the Accountable Body in the 2014-2020 programme.
- 4.3 The responsibilities of the Accountable Body as described by the Scottish Government are<sup>3</sup>:
- has delegated responsibility for administering LEADER finances under the terms of the Service Level Agreement with the Scottish Government;
  - to be responsible to the LAG for supporting the operation of the LEADER programme and supporting successful implementation of the LEADER Local Development Strategy;

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<sup>3</sup> LEADER Planning Guidance produced by the Scottish Government (June 2014)

- to employ staff on behalf of the LAG (staff will work for and report to the LAG);
- the LAG has a role to play in working with the accountable body to ensure sound financial management of the LEADER programme; and
- the LAG and the Accountable Body will operate under a Memorandum of Understanding.

- 4.4 Argyll and Bute Council currently hosts the employment of four full-time staff members to fulfil its Lead Partner function, where these costs are claimed back from the LEADER programme. For the 2014-2020 LEADER programme, it is envisaged that the arrangements will involve five LEADER funded staff (see **Appendix 2**), where a key emphasis is to have two Development Officers who will undertake the required 'animation' of LEADER grant funding across the Argyll and the Islands area. However, the final staff complement will be subject to confirmation once the remits of the staffing roles have been defined more clearly by the Scottish Government. In addition, there is about three full-time equivalent of in-kind staff input required to fulfil Lead Partner obligations. This is spread across a number of staff including three staff in the European Team and two Administration staff based in Rothesay for whom this makes up a proportion of their time, as well as input, as appropriate, from staff in Strategic Finance, Procurement and Legal Services.
- 4.5 It is the intention to bid for £6.4 million of grant funding within the Business Plan, which will accompany the LEADER Local Development Strategy, for dissemination across the Argyll and the Islands area. This proposal has received the support from the Argyll and the Islands LAG members.
- 4.6 Given that Argyll and Bute Council has now built up a team of very experienced staff as the Accountable Body for LEADER, it would be extremely unlikely for any other organisation to wish to undertake such a role going forward. Therefore, a decision not to approve the council as the Accountable Body could jeopardised this significant level of investment being secured for Argyll and the Islands for the next six years to 2020.
- 4.7 The role of Accountable Body will be set within a legal framework which involves a Service Level Agreement with the Scottish Government and a Memorandum of Understanding with the LAG. The details of these documents will be finalised once the Scottish programming documents have been approved by the European Commission and the Argyll and the Islands LEADER Local Development Strategy and Business Plan are approved by the Scottish Government.

## 5.0 CONCLUSION

- 5.1 The European Team within Argyll and Bute Council is seeking approval from the EDI Committee to take on the role of Accountable Body for the 2014-2020 Argyll and the Islands LEADER programme as requested by the LAG.
- 5.2 If approval is received by the EDI Committee, the European Team will progress with finalising the LEADER Local Development Strategy and Business Plan for the Argyll and the Islands LEADER programme, and will work to finalise the legal framework which will detail its roles, responsibilities and obligations to Europe, the Scottish Government and with the LAG.

## 6.0 IMPLICATIONS

- 6.1 Policy
- The role of Accountable Body aligns with the Argyll and Bute Council's overarching Economic Development Action Plan, 2013-2018, where the key focus is to maximise European funding investment in Argyll and Bute in accordance with the LEADER programme's rules and regulations.
- 6.2 Financial
- The council will have financial responsibility for hosting the employment and associated costs of staff that will manage the LEADER programme and report to the LAG. The employment costs for five full-time staff will be reimbursed by the 2014-2020 LEADER programme. Argyll and Bute Council provides desk space and provisions as an in-kind cost. The council will have financial responsibility for the grants administered and approved by the LAG.
- 6.3 Legal
- The council will have the legal responsibility for ensuring that the LEADER programme is administered according to European and Scottish Government rules and regulations. Argyll and Bute Council's Legal Services will be consulted with prior to the launch of the LEADER programme in early 2015, to ensure the Service Level Agreement and Memorandum of Understanding are proportionate and reasonable to the council's role as Accountable Body. No formal documentation will be signed without the approval from Legal Services (mirroring the same process that was undertaken for the 2007-2013 LEADER programme).
- 6.4 HR
- Staff whose costs are funded by the LEADER programme will have the same terms and conditions as permanent members of Argyll and Bute Council staff after two years of employment.
- 6.5 Equalities
- Argyll and Bute Council's role as Accountable Body will comply with all Equal Opportunities policies and obligations.
- 6.6 Risk
- Council officers will need to ensure that Argyll and Bute Council's risks as per the Service Level Agreement and Memorandum of Understanding are proportionate and reasonable to its role and where it has control. This will involve seeking advice from the Council's Legal Services with regard to mitigating any risks within the formal documentation where there is discretion to do so.

6.6 Risk (continued)

**Financial and Legal risks:** there is a financial risk to the council if legal conditions are breached, even unintentionally, by staff working on the programme or by LEADER applicants, where the applicant's legal error was not picked up in the first instance by checks made by the Accountable Body.

The council will have financial responsibility for the grants administered and approved by the LAG. This will carry an element of financial risk for the council only when any decision made by the Accountable Body does not comply with the grant conditions.

**Reputational risks:** it is the intention for the 2014-2020 LEADER programme to bid for £6.4 million of grant funding to be disseminated across the Argyll and the Islands area. Argyll and Bute Council has now built up a team of very experienced staff as the Accountable Body for LEADER and it would be extremely unlikely for any other organisation to wish to undertake such a role going forward. Therefore, a decision not to approve the council as the Accountable Body could jeopardised this significant level of investment being secured for Argyll and the Islands for the next six years to 2020.

**Operational risks:** the stringent compliance and good practice approaches undertaken by the Argyll and the Islands Lead Partner in the previous programmes have been adopted by other LAGs across Scotland. In addition, our latest Scottish Government LEADER audit was exemplar (no issues to report were found) which is true testament to our compliance experience. This is of particular note, as currently eight other LAGs (out of 20 across Scotland) have been highlighted as 'red' risks with regard to ongoing compliance issues as all LAGs endeavour to close off the 2007-2013 LEADER programme.

6.7 Customer Services Not appropriate.

**Pippa Milne, Executive Director of Development and Infrastructure**

12<sup>th</sup> September 2014

**For further information contact:**

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Mary Louise Howat, Senior Development Officer, tel: 01436 658917.

**Cllr Duncan MacIntyre, Policy Lead, European Affairs, Sustainable Economic Growth and Strategic Transportation**



**APPENDICES****Appendix 1** – list of LAG members for 2007-2013 Argyll and the Islands LEADER Programme

Name	Organisation
Arlene Cullum	Argyll & Bute Council
Marina Curran Colthart	Argyll & Bute Biodiversity Partnership
Gordon Gray Stevens	Community Woodlands Association
Margaret Jacobsen	Argyll Voluntary Action
Ross Lilley	SNH
David Adams McGilp	VisitScotland
Iain MacInnes	Lochgoil Community Council
Fergus Younger	Agricultural Forum
Jo Wright	Loch Lomond & Trossachs NP Authority
Celia Burn	LL&TNP Community Partnership
Ewan McPherson	SGRPID
Jim Nichols	Arran CVS
Linda Aird	North Ayrshire Council
Kerrien Grant	Highlands and Islands Enterprise
Alistair Fleming	Scottish Islands Federation
Iain Johnston	Kintyre Cultural Forum
Bill Stewart	ABSEN

Appendix 2 – Proposed Staffing Structure

