



## TYNE ESK LAG MEETING MINUTES

28th March 2019, 9:30am – 3.00pm

The Sidings, Newtongrange Train Station, EH22 4NH

### LAG Members Present

Andrew McDonald, (AM), Edinburgh Butterfly World, Midlothian Tourism Forum, LAG Chair  
 Anne Hastie, (AH), Private Individual, LAG Vice Chair  
 Andrew Bayne-Jardine, (AB) Private Individual, LAG member  
 Frank Beattie, (FB), Scottish Enterprise, LAG member  
 Sandra Duncan, (AD), Scottish Women's Rural Institute (SWRI), LAG member  
 Cllr John McMillan, (JM), East Lothian Council, LAG member  
 Patrick Playfair, (PP) Edwin Thompson, LAG member  
 Hilary Smith, (HS), North Berwick Coastal Area Partnership, LAG member  
 Yvonne Stoddart, (YS), STRIVE, LAG member

### LAG Observers Present

Ann Marie Macaskill (AMM), Midlothian Council Economic Development, LAG Observer,  
 Accountable Body Representative  
 Susan Smith, (SS), East Lothian Council Economic Development, LAG Observer

### Staff Members Present

Joy Godfrey, (JG), LEADER Support Assistant, LEADER Team (notes)  
 Angela Lamont, (AL), LEADER Project Officer, LEADER Team  
 Neil Ramsay, (NR), LEADER Programme Co-ordinator, LEADER Team

Alan Turpie, (AT) Legal Services Manager, Midlothian Council

### Apologies

Cheryl Brown, (CB), Midlothian Sure Start, LAG member  
 Karen Calvert, (KC), Papermill Restaurant, LAG member  
 Claire Gilles, (CG) Penicuik YMCA -YWCA, LAG member  
 Dawne Milligan, (DM), LEADER Finance Support Officer, LEADER Team  
 Cllr Russell Imrie, (RI), Midlothian Council, LAG member  
 Alasdair Mathers, (AMs), Midlothian Community Planning Partnership, LAG Observer  
 Simon Poole, (SP), Jerba Campervans, LAG member  
 Paolo Vestri, (PV), East Lothian Partnership, LAG Observer

Welcome and Apologies	Actions
<p>AM welcomed everyone to the meeting. The meeting did not begin quorate as it had six members in attendance, five from the public sector and one from the non-public sector.</p> <p>Apologies were noted as above.</p>	
<p><b>1. Matters Arising From Minutes</b>          The LAG reviewed the actions from the last meeting and noted that all had been actioned as far as possible.</p>	



The Supporting Rural Economy Action Plan had not been found so it had not been circulated.

All LAG documents are confidential except for the LAG meeting agenda and published minutes. A box was provided for LAG members to put confidential data for the LEADER Team to shred.

Midlothian Science Zone have withdrawn their application; Tyne Esk LEADER has not paid for the project costs however the project has already happened without LEADER funding.

Athelstaneford Village Hall have met the condition to confirm that match funding is in place.

Alasdair Mathers had been the Accountable Body Representative for almost two months but this role was now held by Ann Marie Macaskill, the new Economic Development Service Manager at Midlothian Council.

Action had been taken to contact LAG members who have had low attendance at meetings. NR to ask JM if he has spoken to PV.

AM proposed the minutes and HS seconded them. The minutes will be reapproved in the next LAG meeting if not done later today - as not quorate at this point.

NR to contact JM

**2. Feedback on Scottish Government Developments**

NR reported the recent stats from the Scottish Government and highlighted some items:

- Tyne Esk is one of the most allocated LAGs in Scotland.
- Tyne Esk is one of the very few LAGs in Scotland whose match funding is higher than the total allocated.
- Tyne Esk is one of only five LAGs in Scotland to have met its 5% co-operation target and its 20% farm diversification and rural enterprise target

The Scottish Government have a procedure in place for reallocating from underperforming LAGs – they will take in unspent co-operation money from LAGs that have not and are not likely to meet their 5% co-operation target centrally and allocate that to LAGs that have projects approved who will apply via a bidding process. The bidding process for co-operation project funding opens on 1<sup>st</sup> April.

Dumfries and Galloway's Chair organised a recent Parliamentary reception that was attended by AM to celebrate 25 years of LEADER. AM reported that it had looked at the legacy of LEADER,



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as well as what has been achieved in the past five years. There was cross-party support for LEADER. AM, AH and NR had met with Colin Beattie MSP after the reception.

NR said that an event to celebrate Tyne Esk LEADER will be held on 23<sup>rd</sup> May, which Fergus Ewing MSP and Cabinet Secretary for the Rural Economy will attend.

The Scottish Government consultation deadline for responses to consider the future of EU funding is 25 April 2019. NR suggested a Governance Sub-group meeting be held to draft a response and discuss other relevant governance issues at present. This was agreed by the LAG.

PP arrived at this point, making the LAG meeting quorate with seven members in attendance, six from the public sector and one from the non-public sector.

The LAG had previously discussed reducing the co-operation target from 10% to 5% and combining the farm diversification and rural enterprise targets into 20% of the allocation. NR highlighted that the Scottish Government allowed these targets but that they still needed to be ratified as a change to Tyne Esk LEADER's Local Development Strategy. The LAG unanimously formally ratified this at the meeting.

NR reported that at a recent staff group meeting he had been elected as the Vice Chair of the Scottish LEADER Staff Group.

NR to organise  
Governance Sub  
Group meeting

**3. Conflicts of Interest**

No LAG members declared a conflict of interest.

**4. Crowdfund Scotland**

Emmi Koivisto (EK) the Crowdfund Scotland Coach for the Tyne Esk and Scottish Borders LEADER areas gave a presentation on Crowdfund Scotland's progress to date.

Regarding events, the target is for three workshops per area per year and two 'Train the Trainer' workshops per area per year. So far EK has held one Train the Trainer event and has a workshop planned for 30<sup>th</sup> April 2-4pm at the John Gray Centre in Haddington. She will also attend the celebration event, speaking on crowdfunding as a legacy for LEADER, and has a workshop planned for Midlothian in July. The target for projects running crowdfunding is 25 per area per year. So far EK has coached 16 projects and has spoken to 22 projects in the Tyne Esk LEADER area.



<p>One project has completed so far - Stuart and Stuart Penicuik Cricket Club which had a target of £6,000 but was able to raise £6,115 with £57 being the average contribution.</p> <p>During the presentation AT arrived.</p>	
<p><b>5. Updates for Discussion:</b></p> <p><b>5.1 Budget</b></p> <p>NR reported that £2.4m had been allocated of which over £1m has been spent. Tyne Esk LEADER has met the 5% Co-operation target and is at 6.34%. Tyne Esk LEADER had also reached 29.3% for the combined business and farm diversification target. There is £171k left to allocate and a £130k admin underspend.</p> <p>If the projects on the agenda are approved then Tyne Esk LEADER will have spent more than 75% of the overall budget on projects – meeting the target to spend less than 25% on admin. There will be £92k left to allocate and a £100k admin underspend.</p> <p><b>5.2 Gantt Chart of Projects</b></p> <p>NR went through a Gantt chart indicating the stages projects are at. Tyne Esk LEADER is close to 50% paid on the money allocated.</p> <p>Due to a LEADER team member being off sick there has been a slight backlog in processing claims. Ten claims are in various stages of being checked. NR has apologised to applicants for the delay.</p> <p>A LAG member asked whether there are rules that can be relaxed on paying claims or whether the Scottish Government can pay claims directly if it is uncertain when key staff members will be back. NR reported that claims could be handled by the team and with help from other signatories at Midlothian Council.</p> <p>Due to the uncertainty over when the LEADER team will have a full complement of staff again the LAG considered that a plan was needed to deal with such eventualities, including possibly an exit plan.</p> <p><b>5.3 Risk Register</b></p> <p>NR and AH had met to discuss the Risk Register, which is reviewed regularly – at least every year. They had identified that currently the timely payment of claims is the biggest risk. They had also noted the impact of a LAG meeting being cancelled due to being inquorate after late call-offs and the impact on applicants and businesses. In respect of the late call off, staff had notified everyone either by telephone and/or email however two</p>	



Midlothian Council colleagues who were not notified by telephone of the late call off arrived on the day. AH apologised again and said that NT and AH had identified resolutions for consideration by the LAG which they hopes would address these issues in the future.

The LAG agreed the following:

1. The LAG unanimously agreed that the communications plan be updated to include new procedures to inform all attendees of meeting changes and any other issues.
2. The LAG unanimously agreed to reduce the quorum from seven to five members present with voting rights, of which at least three must be from the non-public sector. Elected members who represent the Council and have proxy votes must notify the Chair of their vote if neither they nor a Council Observer is able to attend in their place, the chair will then be able to act in their place as proxy for them. The quorum of five at meetings will not include the phoned in or emailed proxies of elected members. Only elected members representing the Council will have proxies.
3. The LAG unanimously agreed that future LAG meeting agendas will clearly denote the items that need decisions.
4. The Governance Sub-group will look at LAG membership. NR to approach potential new members and report to the next Governance meeting. AH to supply NR with details of a possible National Farmers Union Scotland representative to the LAG. Applications are welcome from anyone.

NR to make these changes to the Group Protocol.

AH to update the risk register with staffing as a key item. Key points of note were:

Staffing - Risks regarding recruitment, retention of staff and absence management were raised from low to moderate. A new entry of sickness/absence was added and identified as a high risk scenario. To mitigate against this risk the LAG agreed to advertise short term posts if need be.

AL to prepare a suggested wording about the risk of delays to claims having a negative impact on applicants.

**AH to contact NR about new NFUS Representative**

**NR to implement changes to Group Protocol**

**AH to update Risk Register**

**AL to prepare wording about the risk of delays to claims having a negative impact on applicants**



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Applications – ‘New Applications’ was added as a risk category due to the fact that new applicants being taken on can affect existing applicants – this was identified as a moderate risk.

Applicants – Two new risk categories were identified, both as moderate level risks – ‘Applicants who have not been paid timeously’ and applicants getting into difficulty because of delays – to be addressed by ensuring additional staff are trained to make payments if required.

Audit – No changes were made. It was identified that Tyne Esk LEADER has had several audits and no major issues have been found. There were two on the spot checks before Christmas at Track 2 Train and The Bus Stop and both went well.

#### 5.4 Service Level Agreement

AMM, the new Accountable Body Representative for the LAG said that there are risks to Midlothian Council as the Accountable Body.

Alan Turpie, (AT), Legal Services Manager for Midlothian Council, said that both the LAG and Council Staff are responsible for monitoring, for countering fraud and for compliance but that Midlothian Council has to sign off funding through the LAG staff and is ultimately responsible for Council employees. Midlothian Council is the employer of the four staff and works with the LAG on the funding arrangements as per the Service Level Agreement between Midlothian Council and the Scottish Government.

AH highlighted that the LAG members have had a strong role in recruiting the LEADER team. AH continued, that Midlothian Council Human Resources prepared the job descriptions, and that Midlothian Council and the LAG together interviewed and chose the LEADER team.

- Note: At this point JM and SS arrived. The LAG remained quorate with eight members in attendance, six from the public sector and two from the non-public sector. The discussion continued.

AH highlighted that LEADER funds are issued by the Scottish Government under a Service Level Agreement to the Paying Agency/Accountable Body (Midlothian Council) on behalf of the LAG. The SLA sets out the range of responsibilities, functions and obligations. The funding is under the jurisdiction of the LAG to ensure communities get the best out of the LEADER funding.



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<p>JM added that there is a relationship of accountability to each other between the LAG and the Council in terms of delivery to the community and to applicants</p> <p>Leader staff are recognised as having the qualification, skills and experience to provide applicants with advice. The LAG's breadth of experience ensures the programme's success.</p> <p>AMM said that the LEADER team are employed by Midlothian Council (the Accountable Body and paying authority).</p> <p>When the discussion ended, AT left.</p> <p><b>5.5 Project Updates</b></p> <p><b>5.5.1 Midlothian Borders Tourism Action Group Marketing Activity</b></p> <p>The LAG agreed that Midlothian Borders Tourism Action Group could directly recruit their officer on a fixed term contract having failed to procure the Digital Marketing Services contract. NR to contact applicant.</p> <p><b>5.5.2 Access Project Phase 2</b></p> <p>The LAG discussed the delays to the first phase of the project and the current claims backlog due to ongoing key staff sickness and considered there to be a level of risk associated with proceeding with Phase 2.</p> <p>NR suggested the possibility of Midlothian Council leading on the Gorebridge path section only or whether the whole of the Access Project Phase 2 might be LAG led as planned.</p> <p>It was highlighted that if Borders Council were not involved the project would cease to be a co-operation project and so match funding would need to be found. This could, however, potentially come from the Borders Blueprint Fund.</p> <p>The LAG agreed that Midlothian Council should submit an Expression of Interest for phase 2 of the project and it would be scored by the LAG as is usual practice. NR to contact applicant about this and AL to circulate for the LAG to score.</p>	<p>NR to contact MBTAG applicant to ok staff member</p> <p>NR to contact applicant and request an Expression of Interest, AL to circulate</p>
<p><b>6. Assessment of Applications</b></p> <p>HS left the meeting at this point. The LAG remained quorate with seven members in attendance, five from the public sector and two from the non-public sector.</p>	



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## 6.1 Fishing in the Forth

This project is a co-operation project involving Forth Valley and Lomond, Tyne Esk, West Lothian and Kelvin Valley and Falkirk LEADER areas to market the fishing beats of the Forth Estuary to attract more tourists and local visitors. One aspect of this will be the creation and maintenance of and maintain an online booking system for fisheries across the Forth catchment. This online booking system would potentially be accessible across the world, and so the project was deemed State Aid as it could potentially threaten EU fishing tourism.

### Discussion

The LAG watched a short film marketing the River Teith. They agreed that something similar for the Forth River district would be beneficial for marketing the area.

The LAG noted the decline in fishing and the lack of resource that small angling clubs and associations have to market themselves.

The project had been recommended for approval by Forth Valley and Lomond LEADER at the time of the meeting, with the condition that the applicant provide regular data on bookings made through the website. It had also been approved by Kelvin Valley and Falkirk and West Lothian at the time of meeting.

The LAG liked the fact that if successful the project might have the potential to be developed into a small social enterprise or business. They noted the high level of engagement of the Musselburgh District Anglers Association and the support for the project from the Forth Rivers Trust.

The LAG liked the social wellbeing aspect of the project – getting people outside.

One LAG member asked if the angling associations co-operate and AL answered that they do – they visit each other. The collaboration of the angling associations involved was seen as a strength of the project as it created the opportunity to pool resources and share best practice.

The fact that the fisheries in the Forth regions are relatively underused, the angling associations already work together, and that other areas such as the Rivers Tweed and Dee are widely fished (showing the potential for the Forth Area) – all helped highlight that this project has what one LAG member called ‘a lot of easy wins’.

### Technical Check

There were no issues raised by the technical check.





**Score:**

The LAG overall score for the project was 6.8, which will be entered into LARCS.

**Vote:**

The LAG voted by majority vote in favour of awarding a grant to the project of £58,107.79 subject to standard conditions.

**6.2 Whisky Frames Sustainable Fit Out**

This project is to purchase items of equipment, a new boiler and solar panels to reduce the applicant's business running costs, making it closer to being carbon neutral and so increasing the efficiency of the business. The Whisky Frames business itself is a micro business that builds picture frames out of old whisky casks.

**Discussion**

The applicant aims for their business to become carbon neutral and zero waste as soon as possible. The processes for making the products are constantly being developed to improve efficiencies.

The LAG were impressed with the ambitions of the project to have 20 staff and a £7m turnover by 2022/23.

The LAG liked the community recycling point at the project location where Tetra Pac can be collected and donations made by the revenue generated to local charities.

The LAG considered the project a great fit for LEADER and for rural enterprise. They like how the project supported Harris Tweed and the tartans which appear in the frames. The National Mining Museum in Newtongrange is one of the outlets selling the frames.

One LAG member wondered if the whisky barrels would run out but the LAG did not consider this a realistic risk to the project. It was noted that the company produces the only photo frames made out of whisky barrels in the world. There is a huge variety of whisky based products/dram sets, candle holders, furniture etc but no other photo/picture frames.

The LAG liked that customers can have their initial put on the frames and that the company aims to repair the frames wherever possible if they become damaged.

A letter of support had been received from a staff member – which is quite unusual for LEADER projects.



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### **Innovation**

The LAG were impressed by the innovation and creativity of the company as a whole – creating a unique product (and diversifying into bespoke pictures made from barrel tops) and inventing much of the machinery for the creation of the products themselves, all done whilst striving for carbon neutrality. They noted the project will add to this further, prioritising renewables and further pieces of innovative equipment. One LAG member noted that this was the only project for which they had scored a 10 for innovation.

The vision of the business to “implement from the bottom up rather than top down” also fits with the community-led approach to community development that LEADER takes.

### **Technical Check**

The technical check considered the financial risk of the project low to medium but noted that business development had been financed well so far, the cash flow was well thought out and the cash flow was well within credit limits.

### **Score:**

The LAG overall score for the project was 7.1, which will be entered into LARCS.

### **Vote:**

The LAG voted unanimously in favour of awarding a grant to the project of £12,657.97 subject to standard conditions.

## **6.3 Melville Castle Bridge Restoration**

This application is to re-instate an historic bridge in Melville Castle’s grounds in order to:

- provide additional features and activities for guests to the castle
- improve access to the woodlands on the south side of the estate, for additional business opportunities such as Go Ape, woodland lodges and a woodland nursery planned with Midlothian Council
- provide local people with a circular path in the Melville Castle Estate

The original bridge was built in the 1800s bridge but was washed away in circa 1997 leaving no access across the river.

### **Discussion**



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The LAG liked the varied developments that could follow from the re-instatement of the bridge – including access to the ancient woodland for guests and local ramblers, the possibility to develop woodland lodges, have a Go Ape woodland adventure course and a woodland nursery.

A LAG member wanted to know if the original bridge had been listed or scheduled. It had not been. The new bridge will be a very similar structure.

The LAG noted that the bridge structure would be made off site and put together onsite. The Scottish Environmental Protection Agency have no objection to the re-instatement of the bridge.

#### **Innovation**

The LAG did not consider the project hugely innovative as the bridge was something that had previously existed. However, they noted the resort style feel to the Melville Castle Estate and the possibilities for further development that the bridge could open up.

#### **Technical Check**

The technical check had raised the issue that the LAG had not seen the founding document of the Hay Trust. The project was recommended for approval subject to standard conditions plus provision of Hay Trust founding document.

The LAG wanted to check that nothing in the founding document limited the trust from receiving state aid or running the activities mentioned in this project.

A letter from the trust's solicitor had confirmed that the Trust is the sole proprietor of Melville Castle Estate and could order the relevant documentation online.

#### **Score:**

The LAG overall score for the project was 6.4, which will be entered into LARCS.

ABJ arrived at the meeting at this point. The LAG remained quorate with eight members in attendance, six from the public sector and two from the non-public sector.

#### **Vote:**

The LAG voted unanimously in favour of awarding a grant to the project of £47,763.60 subject to standard conditions and provision of Hay Trust founding document.



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<b>7. Finish – Date of next meeting</b> TBC	

### Actions

- NR to contact JM to ask JM if he has spoken to PV.
- NR to organise Governance Sub Group meeting
- NR to implement changes to Group Protocol
- NR to contact MBTAG applicant to ok staff member
- NR to contact the Access Project Phase 2 applicant and request an Expression of Interest
  
- AH to contact NR about new NFUS Representative
- AH to update Risk Register
  
- AL to prepare wording about the risk of delays to claims having a negative impact on applicants
- AL to circulate the Access Project Phase 2 Expression of Interest

*W. Anderson*  
4/7/19