



Lanarkshire LEADER Intervention Rates

Lanarkshire LEADER Programme

Regeneration Services

Community and Enterprise Resources

South Lanarkshire Council

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Lanarkshire LEADER Intervention Rates

Approved by LAG 25 October 2016

Background

The objectives of the Local Development Strategy [LDS] focus on the priority needs and opportunities for rural Lanarkshire. They were informed by the findings from the various strands of research, the consultations and the process of refinement undertaken by the LAG. Each is supported in the LDS by a rationale linking to the underpinning research along with a short intervention logic. Indicators and targets for the outcomes sought are also set out. Each objective is linked to one of the three priority themes of the strategy.

Weighting and prioritisation

Not all the objectives have equal priority or importance. As part of both the LDS development research and community survey the community were asked to identify key priorities and at the Rural Conference delegates were asked from the key themes to identify how important each theme should be in terms of “the LAG” prioritising the allocation of resources. This showed that the most important issue, ‘local community development’ was ranked highest by a very significant degree. Economic development was ranked a clear second, very significantly ahead of any other issue. On this basis, there is a clear remit to weight in favour of projects and investments that meet the strategic objectives of the community development and growing business themes.

The LDS allocates a weighting to each objective based on these processes and the analysis. These are either HIGH or MEDIUM. Measurable outputs have been established in the LDS linked to the objectives and target groups. These are designed to be used by the LAG as part of project appraisal and scoring and will influence the level of grant offered, the intervention rate applied and thus the allocation of budget by LDS strategic priority.

LDS themes, objectives, targets and weightings.

These are taken from the submitted LDS and are set out below.

Theme 1: Developing Communities

Objective 1

Developing the capacities and capabilities of our rural area. Establishing a support framework that seeks to create a strong community sector capable of delivering a range of priority services, learning from each other and ensuring communities consider their own priorities at a community level.

Target groups

1. Community organisations based in the most disadvantaged parts of the Lanarkshire LAG area.

2. Existing third sector service and support providers.
3. Community groups and organisations in the area of North Lanarkshire that has previously not had LEADER support.

Quantitative target outputs

3 collaborative projects that aim to create an inclusive support framework.

20 community awareness raising events.

5 community conferences.

15 projects within the most disadvantaged areas.

3 projects within the new to LEADER areas.

Weighting and prioritisation

1. Collaborative projects **HIGH**
2. Projects in most deprived communities **HIGH** [the formerly mining-dependent communities in central South Lanarkshire and almost the whole of North Lanarkshire within the LAG.]
3. Projects in new LEADER area **HIGH**

Objective 2

To provide a support framework that assists communities take on local community owned and/or managed assets.

Target groups

1. Community groups, social enterprises and Trusts seeking to take on community assets.
2. Community owned renewable energy projects (to enable local communities investigate co-ownership).

Quantitative target outputs

5 asset transfer projects supported.

2 community co-ownership renewable energy developments supported.

Weighting and prioritisation

MEDIUM

Objective 3

Improve mobility for rural residents

Target Groups

Community transport providers.

Older and younger residents of remoter rural communities.

Quantitative target outputs

3 community transport projects supported.

Weighting and prioritisation

HIGH

Theme 2: Growing Business

Objective 4

To support younger age group engagement and employment initiatives.

Target Groups

16-29 year olds living in the rural area, especially those NEET.

Rural social enterprises.

Quantitative target outputs

5 youth employability projects supported with a target of 30 employees/trainees.

Weighting and prioritisation

HIGH

Objective 5

To improve the vitality and viability of rural town centres

Target Groups

Development Trusts established through the LEADER Market Towns Initiative.

Business and trader groups including Business Improvement Districts.

Quantitative target outputs

2 BIDS supported.

4 Development Trust projects supported.

Weighting and prioritisation

MEDIUM

Objective 6

To support collaborative initiatives that aim to improve the viability of the area's agricultural sector

Target groups

Local food and drink businesses.

Producer Groups and farmers markets.

Agricultural sector support groups.

Quantitative target outputs

5 businesses supported.

2 social enterprises supported.

2 producer groups supported.

2 Agri support groups supported.

Weighting and prioritisation

MEDIUM

Objective 7

To improve rural access and customer entry to business support

Target groups

Non-Agricultural or para-agricultural rural businesses with identified growth potential.

Social enterprises.

Quantitative target outputs

10 businesses supported.

5 social enterprises supported.

Weighting and prioritisation

MEDIUM

Objective 8

To support collaborative visitor initiatives and connect to strategic interventions which protect and enhance natural and cultural heritage assets in Lanarkshire.

Target groups:

Community and business groups wishing to connect to major tourism and natural environment attractions.

Quantitative target outputs

3 community projects connecting to major attractions.

5 projects linked to strategic landscape initiatives such as CAVLP and CSGNT.

3 local business group projects linking major attractions to tourism and other service providers.

Weighting and prioritisation

MEDIUM

Proposed intervention rates

The **HIGH** priority objectives are focused on areas of need, both geographically and in capacity terms. This suggests that in order to achieve the LDS objectives the LAG needs to be prepared to invest heavily in these areas. On this basis and in consideration of other funding opportunities and the level of funding available through Lanarkshire LEADER it is suggested that the guideline intervention rates for projects that meet the **HIGH** priority objectives are

Projects seeking grant of up to £25k - 100% of eligible costs

Projects seeking grant of between £25/100k - 70% of eligible costs

Projects seeking grant of over 100k - 50% of eligible costs

The guideline intervention rate for projects that meet the **MEDIUM** priority objectives should be a maximum 50% of eligible costs other than if the project is primarily focused on employing staff when the maximum rate should increase to 70% of eligible costs in recognition of the limited opportunities for match funding for this type of activity. Support for agricultural and rural businesses will in addition be made in line with EU State Aid intensities.

It is recognised that if the LDS is to achieve its strategic objectives then projects will need to be pump primed at an early stage. Lanarkshire LEADER is late in launching and this has condensed the Programme period significantly. This will present challenges for larger scale projects in the early stages of development. In recognition of this, feasibility work, scoping studies and project/business plans leading to implementation of a larger LEADER project should be funded up to 100% of eligible costs up to max £25k grant.

It is recognised that these are LAG guideline rates and it may be that there are special circumstances in which the LAG may wish to increase or decrease these guideline rates. In these circumstances the reasons for the special circumstances and basis for the decision will be detailed in the LAG meeting minutes.

Appendix

Voluntary Sector Definitions

The Lanarkshire LDS uses a number of terms in relation to the voluntary sector. It recognises that there are many terms which are used in the voluntary sector, or relate to different parts of it. Some of them tend to overlap and some are difficult to define concisely. A summary of the most commonly used ones is set out below to ensure a consistency of understanding:

The **voluntary sector** - this is an inclusive term for both charities and charitable organisations (not registered as charities), which undertake work of benefit to society. Many voluntary organisations employ staff to undertake a wide range of activities and many are of the size and stature of successful medium-sized businesses, although operating independently for the public good without profit distributing.

The **charity sector** - organisations must meet the strict conditions required for charity registration. Therefore, not all voluntary organisations are charities.

The **community sector** - this is used to include smaller more informal organisations and self-help initiatives at community level.

The **non-profit sector** or **not-for-profit sector** - refers to organisations which use surpluses for the benefit of the beneficiaries through direct grant or investment rather than providing managers or committee members with income. Many organisations do make profits on some of their activities but re-invest these into other work and projects.

The **third sector** - third after the public and private sectors. The third sector would include all of the above.

The **social enterprise sector** - this is becoming increasingly used, and although there are many aspects which link rather than differentiate a social enterprise from a charity or a social entrepreneur from a successful voluntary sector leader. The main difference is the source of funding and the ability of social enterprises generate income directly from their activities which have a social purpose whereas charities usually need some financial support from charitable donations and grants.

Different types of organisations within the sector have to be set up with the appropriate legal structure. There are several types of structure available including:

Unincorporated associations – This is when a group of people come together with a common interest or purpose, and will undertake work for the benefit of the public. They are governed by a constitution and managed by a management committee. They are not recognised in law as a legal entity; therefore the liability of members and the governing body is unlimited.

Incorporated associations –

This is when the organisation is a company and is recognised in law as a legal entity. The most popular form of a company is a 'company limited by guarantee'. A company is managed by directors and is regulated by Companies House. It can be charitable or non-charitable (if charitable, it will also be regulated by the OSCR the Scottish Charity Regulator.) The liability of

governing body is limited, eg, they are liable for an agreed sum (eg £1) if the organisation has to wind up.

Community Interest Companies (CIC's) – This is a legal form for Social Enterprises. They are limited companies with special additional features created for the use of people who want to conduct a business or other activity for community benefit, and not purely for private advantage. They must have a community interest test and an asset lock, to ensure that the CIC is established for community purposes and the assets and profits are dedicated to these purposes. A CIC cannot be a registered charity – they will not have the benefits of charitable status, even if their objects are entirely charitable in nature. They have to register at Companies House and with the Regulator of CIC's.

Scottish Charitable Incorporated Organisation (SCIO) -this is a legal form unique to Scottish charities, it is designed to allow charities a limited liability structure, without needing to have company status and be regulated both by the OSCR and Companies House.

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