

EXECUTIVE NOTE

THE LEADER GRANTS (SCOTLAND) REGULATIONS 2008 SSI/2008/66

The Leader Grants (Scotland) Regulations 2008 (the 2008 Regulations) were made in exercise of powers conferred by section 2(2) of and paragraph 1A of Schedule 2 to the European Communities Act 1972. The instrument is subject to negative resolution procedure.

Policy Objectives

The purpose of the instrument is to create a legal framework to allow Scottish Ministers to pay European and national funds from the Scotland Rural Development Programme 2007-2013 to Local Action Groups to deliver LEADER objectives, and for Local Action Groups to be able to pay final beneficiaries for projects which implement their local development strategies. LEADER objectives are to stimulate local development from grass roots upwards, to build capacity in rural communities, and encourage innovation to break the circle of decline. The SRDP outcome which LEADER will contribute most to is “enhanced development of rural communities”.

Background

LEADER is part of the Scotland Rural Development Programme 2007-2013 approved and partly funded by the European Commission. There are a number of Statutory Instruments reflecting the EU rules and allowing Scottish ministers to implement the SRDP.

LEADER is a bottom up model aimed at local empowerment. It is driven by local communities, delivered locally and with the budget being held locally. Decisions about which projects will have a wide community benefit are taken at a local level.

The European priorities for 2007 - 2013 are laid down in the Rural Development Regulation 1698/2005 and consist of 4 axes:

- Axis 1 – Improving the competitiveness of the agriculture and forestry sector
- Axis 2 – Improving the environment and countryside
- Axis 3 – Quality of life in Rural Areas and diversification of the rural economy
- Axis 4 – LEADER

Although expressed as an axis on its own, LEADER can be used against any of the three main thematic axes.

To achieve these priorities in Scotland the five main outcomes being worked towards are those established for rural development in the Scottish National Strategic Plan:

- Business viability
- Enhanced biodiversity and landscape
- Improved water quality

- Climate change
- Enhanced development of rural communities

The 2007 – 2013 Scottish Rural Development Programme aims to contribute to all these outcomes and LEADER as part of the programme will contribute to meeting some of them. LEADER will focus on 5 key themes:

- Revitalising Communities
- Rural Community Capacity
- New Markets and Products
- Progressive Rural Economy
- Conservation of the Rural Environment

Local Action Groups (LAGs) select one or two of the above themes and develop a local strategy under the themes chosen. The strategies will reflect the European priorities (axes), the national strategic outcomes, and one or two of the LEADER themes.

LAGs submit a bid, setting out what they aim to deliver and what level of funding they require to achieve their chosen local development strategy. These bids are assessed by a selection panel approved by the Cabinet Secretary for Environment and Rural Affairs. Bids will be subject to a competitive process based on a set of criteria devised by Scottish Government.

If successful advance funding will be awarded to allow LAGs to undertake preparatory work such as setting up of administration processes, staffing, and publicity. Once mobilised LAGs will invite project applications, decide how well a project implements the local development strategy and either award LEADER funding to the project or reject it. Further payments to LAGs will be made quarterly in arrears.

LEADER will be used to stimulate local “home grown” development, increase the organisation capacity of rural communities, and encourage innovation. LEADER will also integrate and complement other European, Scottish, and local funding adding value rather than duplicating funding. Funding to LAGs will make provision for guidance material,

Regulations – enforcement

The 2008 Regulations will:

- Require LAGs and applicants to retain all invoiced accounts and other relevant document in relation to an application
- Provide such additional information in relation to the project or grant monies paid in pursuance of that project as either the LAG or Ministers may require
- Permit an authorised person to verify the accuracy of any information contained in an application or a claim for payment under the Regulations or any other information provided by the applicant relating to the project.

- Permit an authorised person to ascertain whether an offence under these Regulations has been or is being committed
- Permit the revocation or variation of approval and withholding or recovery of grant
- Sets out what constitutes an offence and the level of penalty

Consultation

[The Consultation on the Strategic Framework](#) was launched as part of Scottish Environment Week 2005 , and ran until 29 March 2006.

[The Consultation on the Scotland Rural Development Plan](#) itself was launched on 4 April 2006 and closed on 30 June 2006 and nine public meetings were held around Scotland during this period with over 1400 copies of the consultation document being distributed. Additionally the Consultation was available on-line. An [analysis of responses](#) was undertaken by the Scottish Agricultural College (SAC). LEADER being one of the main parts of the programme was an integral part of the consultation exercise.

A total of 259 written responses were submitted from a range of organisations and individuals. The responses comprised answers to closed questions, as well as extensive textual answers to each of the 21 questions set out in the consultation document.

Financial Effects

The instrument utilises the funding which the Scottish Government and the European Commission have allocated to LEADER under the Scotland Rural Development Programme.

The effect of the Regulations is to permit financial assistance to businesses, community groups, collaborations, and individuals involved in providing community benefits. We foresee no increase in costs to the Scottish Government, local government, or business. [We have therefore not carried out a Regulatory Impact Assessment.]