



Highland LEADER 2014-2020 Programme



Caithness Local Area Action Plan

Contents	Page
Section 1: Summary	2
Section 2: Funding Allocation and Priorities	4
Section 3: Project Priorities	6
Section 4: Additional Funding Considerations	9
Section 5: Steering Group Formation	11
Section 6: LAP Formation	13

Appendices

Appendix 1: Area Overview and Demographic Data	17
Appendix 2: Community Consultation - SWOT Analysis	25
Appendix 3 Key Priorities	28
Appendix 4: Financial Strategy	29
Appendix 5: Eligible Activities	30
Appendix 6: LAP Members Job Description	32
Appendix 7: Operating Guidelines	34

Terms of reference

- LDS – Highland Local Development Strategy
- LAAP – Local Area Action Plan
- LAP – Local Area Partnership
- LAG – Highland Strategic Local Area Group

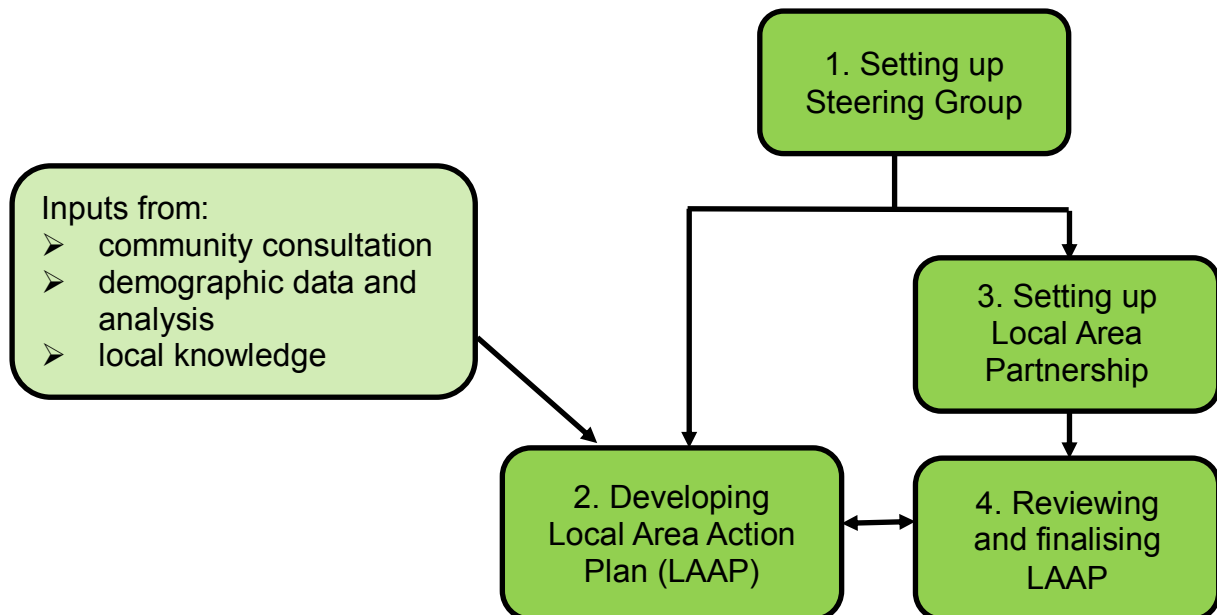
SECTION 1: SUMMARY

The Highland Local Development Strategy (LDS) sets out the aims and objectives of the Highland LEADER Programme 2014 – 2020. The Programme will be delivered locally by seven Local Area Partnerships (LAPs), of which one will represent Caithness. Each LAP will have the flexibility to focus on specific priorities from within the LDS which are of most relevance locally and these priorities will be set out in Local Area Action Plans (LAAPs). Collectively, the seven plans will need to demonstrate that the aims and objectives of the LDS will be met and this will be monitored by the Highland Strategic Local Action Group (LAG).

This LAAP sets out the priorities for LEADER funding in Caithness. It includes details of the processes that have been followed:

- to inform and develop the LAAP, and
- to form the LAP, ensuring that it collectively possesses the skills, experience and knowledge required for delivery of the LAAP and has an appropriate demographic and public/private distribution of membership.

The four key steps that have been followed are shown in the diagram below. Each of these is explained in detail in this LAAP.



In June 2015 a Steering Group was formed in Caithness. An open invitation went out to members of the LAP from the previous LEADER Programme, elected members and ward managers to see whether they would be interested to help form the steering group. In addition, community councils were each invited to nominate a representative from their area to join the group.

The Steering Group had two key tasks:

- to start producing the LAAP in support of the Highland LDS; which led to the
- identification of the skills, knowledge and experience required on the Caithness LAP.

The Steering Group was provided with:

- relevant demographic data (appendix 1, p17)
- information gathered during a community consultation process undertaken by the Highland LEADER Team in preparation of submission of the Highland LDS - presented as a SWOT analysis (appendix 2, p25)
- suggested key priorities for Caithness taking account of the demographic data and results of the community consultation (appendix 3, p28).

Using the information provided, together with their local knowledge, Steering Group members considered and prioritised target groups, themes and outcomes to be delivered by the Highland LDS in terms of their relative importance for LEADER funding in Caithness. As a further step, Steering Group members identified the types of projects that will deliver their chosen outcomes and deliver maximum benefit to communities in Caithness.

Following approval of the Highland LEADER Financial Strategy by the Strategic LAG in August 2015, a number of funding considerations have also been agreed.

The funding priorities, and additional considerations, together with the processes followed to determine them, are set out in this LAAP which has subsequently been endorsed by the LAP.

Based on the priority outcomes and project types, the Steering Group were able to identify the key requirements in terms of skills, knowledge and experience that are required on the LAP to inform LEADER funding decisions.

Steering Group members were invited to put themselves forward to sit on the LAP by completing a Skills Checklist. The skills, knowledge and experience of prospective members were compared with that required on the LAP to ensure that the relevant skills, knowledge, experience would be represented. Additionally, to ensure that there would be:

- a correct geographic and demographic mix of members; and
- the required public/private voting member representation (maximum of 49% of voting members to be from the public sector).

The Caithness LAP has built into this LAAP, provision for a review following two full LAP meetings at which project applications are reviewed. It is accepted that any changes required as a result of this review will need to be submitted to the Strategic LAG for approval.

The Caithness LAAP should be viewed in the context of the Highland LDS.

SECTION 2: FUNDING ALLOCATION AND PRIORITIES

Caithness has been allocated a devolved '*indicative*' budget of £497,080 for the duration of the Highland LEADER 2014 – 2020 Programme and this section sets out the local priorities for this funding.

Additionally, project applicants in Caithness will have access to other elements of Highland LEADER funding which have been 'ring-fenced' to deliver specific aspects of the LDS. These are summarised in appendix 4, p29.

The Caithness LAP will consider funding projects that meet one or more of the Highland LDS themes, and all of the first 3 cross cutting themes

All project applications will be assessed by the Caithness LAP and greater weighting will be attached to the types of project identified as best delivering the four Caithness priority outcomes, and delivering benefits to those in the Caithness Target Groups shown below.

Highland LDS Themes (ranked in order of priority for Caithness)

- A Growing and Diversified Economy that Promotes Sustainability
- Stronger and More Resilient Communities
- Increased and Sustained Local Services and Activities
- Enhanced cultural and natural assets

Cross Cutting Themes

All projects across Highland must contribute to the first 3 themes and, if appropriate, remaining 2 where they are relevant to the nature of the project:

- Fairer Highland – advancing equality (addresses equality issues or benefits people in groups that are under-represented or disadvantaged)
- Innovation (a new or different approach is proposed within the area)
- Sustainability/Legacy (the project outcomes will continue beyond the life of the project)
- Carbon Clever (the project can demonstrate a positive impact on the environment)
- Skills Development (the project aims to expand the skills of those involved in implementing the project and/or on its participants)

Caithness Target Groups

Projects which benefit people in the following groups would be particularly welcome:

- Young people
- Elderly people
- Disabled people (including people with mental health issues)

These are groups that:

- would benefit from removing/minimising barriers or disadvantage,
- have particular needs,
- or where under-representation or prejudice could be tackled or understanding could be promoted.

Outcomes

Of the ten outcomes to be delivered by the Highland LEADER 2014 – 2020 Programme, the Caithness LAP will focus on those shown below. For a full definition of the outcomes, please refer to the Highland LDS:

- Increased employment opportunities locally through new business start-ups and existing business diversification/ development
- People have better access to local services and activities
- Improved access for residents and visitors (physical and knowledge based) to cultural, natural and heritage assets
- Improvements in the visitor experience

Within these outcomes, the Caithness LAP has identified specific project types that it would like to see being submitted and projects that it feels will maximise the benefits of LEADER funding to the communities in Caithness. The table on page 6 - 7 lists these project types and indicates which primary outcomes they should deliver. In a number of cases, additional outcomes may be delivered depending upon the remit of the project. Whilst many of the project types have been identified in broad terms to stimulate innovation, applicants will need to ensure that their projects align with the eligible activities listed under each outcome in the LDS (see appendix 5, p30).

SECTION 3: CAITHNESS LEADER PROJECT PRIORITIES

Specific Priority Projects that Caithness Local Area Partnership feel would maximise the benefits from LEADER funding.				
<ul style="list-style-type: none"> ✓ Priority outcome project is likely to deliver ✓ Other priority outcomes that could potentially be delivered by the project Projects that:	Increased employment opportunities locally	Improved access to cultural, natural and heritage assets	People have better access to local Services and activities	Improvements in the visitor experience
1. develop and promote transport links between communities, tourist attractions and rural transport, through an integrated approach	✓	✓	✓	✓
2. develop/promote accessible and/or sustainable transport schemes for locals and visitors	✓	✓	✓	✓
3. enable small businesses, charities or social enterprises to expand by being able to compete for contracts through removing barriers, or providing support, for example with procurement or business planning	✓			
4. develop employability schemes for all ages	✓			
5. support employers by developing mentoring schemes	✓			
6. develop and promote local markets so local people can buy local produce, including developing wider supply chain and distribution links, and websites	✓		✓	
7. develop businesses (including those who employ volunteers) which promote inclusion and wellbeing through providing services in people's own homes, tailored to their needs, for example handyman (maintenance, grass cutting, shopping/assistance in using domestic appliances/energy/safety in the home/changing light bulbs etc.), or to deliver/collect parcels	✓		✓	
8. improve access to cultural, natural and heritage assets for all abilities, in terms of physical access, signage/intellectual access or information access through website development, marketing and promotional activity		✓	✓	✓
9. develop/support partnerships to develop/promote heritage sites		✓	✓	✓
10. develop, promote or co-ordinate archaeological tourism		✓		✓
11. undertake feasibility studies for the development of cultural, natural and heritage assets		✓		
12. promote transport information		✓	✓	✓
13. enable smaller groups to link to specific digital promotion e.g. Venture North or North Coast 500 (possibly in co-operation with other Local Area Partnerships)		✓	✓	✓

14. extend the benefit of larger coastal based projects such as North Coast 500) to inland areas (possibly in co-operation with other Local Area Partnerships)		✓	✓	✓
15. develop and promote the use of cycle tracks and pathways, for example through raising awareness (e.g. of routes off the A9), developing all ability pathways, investigating feasibility of developing old railway lines		✓	✓	✓
16. promote 'information' training		✓	✓	✓
17. develop/promote websites and applications that provide information regarding local services, activities and cultural, natural and heritage assets, and/or promoting Caithness, for example CDs/applications to explain heritage that visitors can listen to whilst travelling to/between attractions		✓	✓	✓
18. undertake feasibility studies to establish the demand and provision of community transport		✓	✓	
19. develop Wi-Fi in local 'hotspots'			✓	✓
20. provide support for volunteer drivers			✓	
21. develop non vocational IT training for people (not necessarily older people) who are computer illiterate			✓	
22. develop health activities across age groups, including those aimed at getting older people more active			✓	
23. invest in activity clubs providing organised activities and tailored to the needs of specific groups e.g. older people, disengaged young people, families that need support etc.			✓	
24. provide/promote tour businesses that use sustainable transport	✓	✓	✓	✓
25. develop wet weather facilities and attractions			✓	✓
26. improve the 'people experience' for visitors e.g. through positive, friendly and informed interaction with local people and businesses				✓
27. improve the visitor experience by supporting an integrated approach to the promotion of the tourism offering in Caithness through a Tourism Officer				✓
28. develop/extend existing local activities to extend their appeal to visitors				✓
29. develop Wi-Fi access in tourist attractions				✓
30. develop, promote or co-ordinate adventure tourism such as orienteering, geo-tourism				✓

The additional outcomes included in the Highland LDS are:

- Impact of funded projects can be better demonstrated leading to increased capacity to secure future funds
- Increased community ownership/control of assets and services/activities
- People feel better supported to undertake volunteering opportunities
- Increased income from local produce through adding value

- Increased partnership working between groups (within and across areas, including intergenerational partnerships)
- Improved management/conservation/sustainability of cultural, natural and heritage assets.

SECTION 4: ADDITIONAL FUNDING CONSIDERATIONS

Alternative Sources of Funding

Applicants will be expected to demonstrate that they have fully explored alternative/additional sources of funding and each application will be reviewed to ensure that local support for the project is reflected in contributions from known local funding sources, where appropriate.

Where Caithness based projects are eligible for funding under the 'ring-fenced' Rural Enterprise or Farm Diversification LEADER budgets or under the European Maritime and Fisheries Fund (EMFF), it is expected that these sources of funding will be considered in the first instance.

Funding Priorities

The funding priorities for Caithness are set out in pages 6 - 7 and projects which benefit people in the Target Groups would be particularly welcome. Projects that address these priorities will be best placed to attract LEADER funding, however **by exception** other projects will be considered provided that they can demonstrate that they:

- are particularly innovative to the communities that will benefit, and
- will deliver significant other benefits, in line with the Highland LDS, to communities in Caithness.

Funding for Staff Posts

Staff posts will need to have very clearly defined and measurable outputs linked to specific project activity that is consistent with the priorities set out in the LAAP.

Grant Sizes

There will be no cap on the maximum grant that can be awarded, however applicants should bear in mind that Caithness has a discretionary '**indicative**' budget of £497,080 to allocate to projects over the course of the LEADER 2014 – 2020 Programme.

The minimum grant size may be £2,000, which reflects the availability of alternative sources of funding for small projects and the administrative requirements associated with applying for, and administering LEADER funded projects.

Intervention Rates

Intervention rates may be available up to a maximum of 90%, subject to any Scottish Government limits imposed to reflect State Aid requirements.

Project Duration

Projects will be funded for the **maximum period of 2 years**. All projects must be fully claimed by 31st March 2020.

'Decision in Principle' Funding Offers

'Decision in Principle' offers will be considered for a **maximum period of 60 days only**. If this time has lapsed, the application will be rejected and a new project application will need to be submitted. No new project approvals after 31st March 2019.

Monitoring the Local Area Action Plan

The Caithness LAP will put in place a monitoring system for the ongoing monitoring of the distribution of LEADER grants (geographically, and in terms of the outcomes being delivered and target groups benefitting) and it will proactively seek to facilitate, encourage, and support projects from areas or communities that are less pro-active or experienced in submitting

applications to ensure that there is an appropriate distribution of funds and that priorities are met across the area.

Monitoring will also include the ongoing assessment against plan of expenditure or claims by projects so that any underspend can be identified at the earliest opportunity and re-allocated.

The LAP will have an option to review this LAAP following **two LAP meetings** at which applications are assessed, to allow any early requirements for refinement to be considered in the light of applications coming forward. The LAAP will then be reviewed by the LAP on an annual basis thereafter.

SECTION 5: STEERING GROUP FORMATION

In line with the process agreed by the Strategic LAG for setting up local steering groups, invitations to join the Caithness Steering Group were sent to Councillors, Ward Managers and members of the Caithness Local Area Partnership at the end of the LEADER 2007 - 2013 Programme. Additionally, all Community Councils in Caithness were given the opportunity to put forward someone from their area that was interested or involved in community development. Initial membership of the Group is shown below:

Steering Group Member Invitees	Organisation	Title	Public/Private
Alex Macmanus	Highland Council	Ward Manager	Public
Donnie Mackay	Highland Council	Elected Member (Thurso)	Public
Roger Saxon	Highland Council	Elected Member (Thurso)	Public
Bill Fernie	Highland Council	Elected Member (Wick)	Public
Gail Ross	Highland Council	Elected Member (Wick)	Public
Gillian Coghill	Highland Council	Elected Member (Landward Caithness)	Public
Willie Mackay	Highland Council	Elected Member (Landward Caithness)	Public
Niall Smith	Caithness Voluntary Group	Previous LAP Member, Wick CC Nominee	Private
Charles Findlay	Highlands and Islands Enterprise	Previous LAP Member	Public
David Glass	Brough Bay Association	Previous LAP Member	Private
Ian Mitchell	Scottish Natural Heritage	Previous LAP Member	Public
David Shearer	Caithness & North Sutherland Fund	Replacement for previous LAP Member	Private
Pat Buchanan	Community Member	Previous LAP Member	Private
Yvonne Hendry	Caithness Voluntary Group	Previous LAP Member	Private
Duncan Winfield	Latheron, Lybster & Clyth Community Council	Nomination from Latheron, Lybster & Clyth Community Council	Public
Alison Searl	Royal Society for the Protection of Birds	Replacement for Previous LAP Member –	Private
Elsbeth Husband	Girl Guiding Caithness	Association of CCs Nominee	Private
John Henderson	Caithness & North Sutherland Fund	Previous LAP Member	Private
June Love	Dounreay Stakeholder Group	Previous LAP Member	Public
Alistair Swanson	National Farmers Union	Previous LAP Member & Member of Strategic LAG	Private
Anna MacConnell	Nuclear Decommissioning Authority	Previous LAP Member	Public
Chris Hobson	Caithness Access Panel & Darwick Pier	Previous LAP Member	Private
Debbie Gray	University of Highlands and Islands	Replacement for Previous LAP Member	Public

Membership of the Group was discussed at the first Steering meeting on 29th June 2015 and it was agreed that membership should be expanded to include more private, community sector members, representation from the youth sector and unemployed. Additionally, those Community Councils who had not made a nomination were approached again. This led to additional membership as shown below:

Additional Member Invitees	Organisation	Public/Private
Helen Allan	Ormlie Community Association	Private
Margaret Allan	Laurandy Day Care Centre	Private
Julie Cassidy	Pulteneytown Peoples Project	Private
Ian Gregory	Caithness Citizens Advice Bureau	Private
Christine Gunn	Dunbeath Heritage Centre	Private
Eilidh Gunn	Foundation Scotland	Private
Shona Kirk	Thurso Sports Hub & Wick Harbour Trust	Private
Eric Larnach	Latheron Lybster and Clyth Community Development Company	Private
Angela Bain	Highlife Highland	Public
Kirsty McIvor	Youth Representative	Private
Trudy Morris	Caithness Chamber of Commerce	Private
Jill Smith	Caithness Citizens Advice Bureau	Private
Heather Urquhart	Ormlie Community Association	Private
William Wilson	Lyth Arts Centre	Private

Following the first meeting, Rachel Skeen from the Highlands and Islands Enterprise joined the Group as a replacement for Charles Findlay, following his retirement from Highlands and Islands Enterprise.

SECTION 6: LOCAL AREA PARTNERSHIP FORMATION

The Caithness LAP will have responsibility for making decisions about the allocation of LEADER funding to local projects, in line with their Job Description (Appendix 6, p32), and a set of Operating Guidelines. This section outlines the collective skills, knowledge and experience required on the Caithness LAP to provide informed assessment of applications, and give appropriate guidance and support to applicants. This will enable effective prioritisation of projects and allocations of grant funding, thereby maximising outputs from delivery of the LAAP and therefore community benefits.

Skills, knowledge and experience requirements for the Caithness LAP have been derived from a review of the skills required to deliver the prioritised themes, outcomes and project priorities, with focus on the groups to be targeted in Caithness, in line with the Skills Matrix. Each requirement was reviewed to establish whether this is essential or desirable.

As part of the process of establishing the membership of the LAP, it was agreed that those members of the Steering Group wishing to put themselves forward to sit on the LAP would complete a Skills Checklist, so that collective skills, knowledge and experience could be reviewed against a list of essential skills that the LAP would require to be covered, and any gaps identified.

Ahead of the Steering Group meeting on 23rd September 2015, 17 people had put themselves forward to sit on the LAP. The table below provides a summary of their collective skills, and those identified as being required on the LAP. On the basis of this assessment, it was agreed that:

- the LAP would be able to cover all areas normally required (with the exception of disabilities and equalities), and that ad-hoc advisory support would be called on, if necessary.
- the LAP had a reasonable geographic coverage.
- the LAP had an appropriate balance of public and private members.

An additional two members of the Steering Group submitted a Skills Checklist following the meeting in order to put themselves forward to be Members of the LAP.

Skills, Knowledge and Experience Required and Number of Members Possessing (last updated 05/04/2016)

Essential	
Farming/Crofting	2
Tourism	5
Healthcare	2
Socialcare	3
Transport	4
Leisure	3
Youth	7
Older people	3
People with disabilities	4
Equalities	4
Wildlife & ecology	4
Biodiversity	4

Desirable	
Forestry	1
Food/drink	3
Construction/Renovation	3
Energy	1
Renewables/Recycling	4
Pathways/cycleways	2
Social enterprise	4
Community ownership	4
Business start-up/development/support	6
Business Finance/ Financial Management	6
Website development	1
Economic development/analysis	3

Natural heritage	5	IT systems/software	1
Cultural heritage	5	Employment law/advice	2
Conservation	1	Sales	0
Voluntary sector	10	Innovation	0
Community representative	8		
Partnership & networking	10		
Community development	9		
Funding	11		
Marketing & promotion	6		
Training/skills development/mentoring	8		
Communications	3		
Project assessment	10		
Project management	9		
Project monitoring/evaluation	8		

Additional Skills Present	
Education	6
Fundraising	8
Procurement	1
Creative Industries	0

Although the work of the LAP will be supported by an Equalities Reference Group, initial training in equalities and disabilities will be provided to improve their knowledge and understanding of equalities issues with particular regard to the Caithness Target Groups.

Caithness LAP Membership

Voting Members	Public/private	Organisation/group
Angela Bain	Private	Highlife Highland
Debbie Gray	Public	North Highland College
June Love	Public	Dounreay Stakeholder Group
Anna MacConnell	Public	Nuclear Decommissioning Authority
Ian Mitchell	Public	Scottish Natural Heritage
Roger Saxon	Public	Elected Member for Thurso
Duncan Winfield	Public	Latheron, Lybster & Clyth Community Council
Pat Buchanan	Private	Community Member
Julie Cassidy	Private	Pulteneytown Peoples Project
David Glass	Private	Brough Bay Association
Eilidh Gunn	Private	Foundation Scotland
Yvonne Hendry	Private	Caithness Voluntary Group
Elsbeth Husband	Private	Girlguiding
Kirsty McIvor	Private	Youth Representative
Alison Searl	Private	Royal Society for the Protection of Birds
David Shearer	Private	Caithness & North Sutherland Fund
Jill Smith	Private	Caithness Citizens Advice Bureau
Niall Smith	Private	Caithness Voluntary Group
Alistair Swanson	Private	National Farmers Union
Christine Gunn	Private	Dunbeath Heritage Centre
Oakley Cundall	Private	Youth Representative

Trudy Smith	Private	Caithness Chamber of Commerce
Advisory (non-voting)	Public/private	Organisation/group
? - tbc	Public	Highlands and Islands Enterprise

At the Caithness LEADER Steering Group meeting on 23rd September 2015, membership of the Caithness LAP was agreed.

Pat Buchanan and Niall Smith were appointed joint Chair/Vice Chair at the inaugural LAP meeting on 29th October 2015. Pat and Niall will take it in turns to chair meetings.

The Caithness LAP has agreed to adopt the Highland LEADER (2014-2020) Programme Operating Guidelines (see appendix, p34).

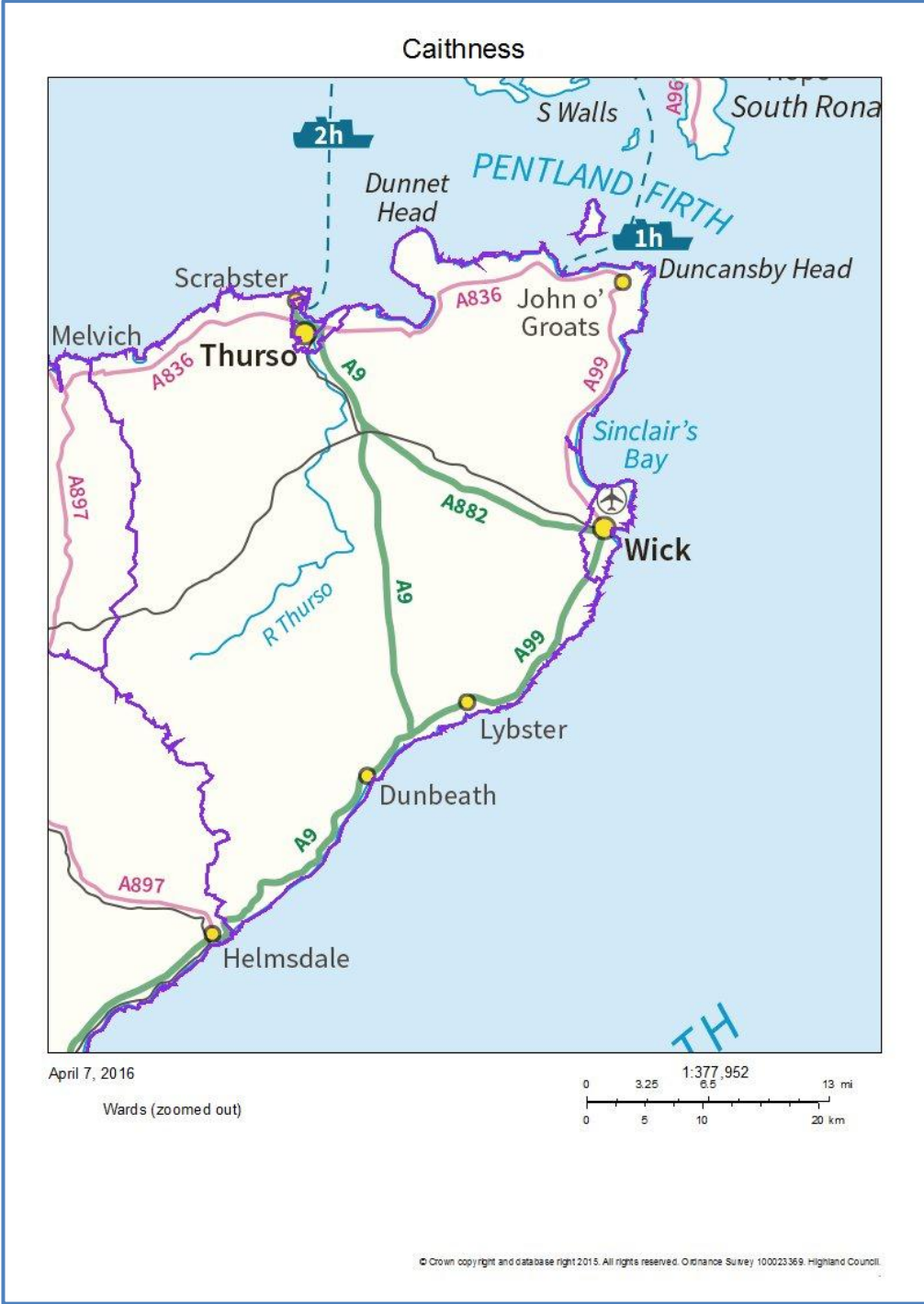
Membership changes after plan approval (02/12/2015)

- Rachel Skeen stepped down temporarily at the end of December 2015. A replacement from HIE had not been identified and the position was still open.
- Duncan Winfield from Latheron, Lybster & Clyth Community Council stepped down from the group 17th March 2016.
- Trudy Morris and Oakley Cundall joined the LAP on the 17th March 2016.
- The skills matrix on p13/14 was amended to reflect the above changes – 05/04/2016.

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APPENDIX 1: AREA OVERVIEW & DEMOGRAPHIC DATA



Demographic Data

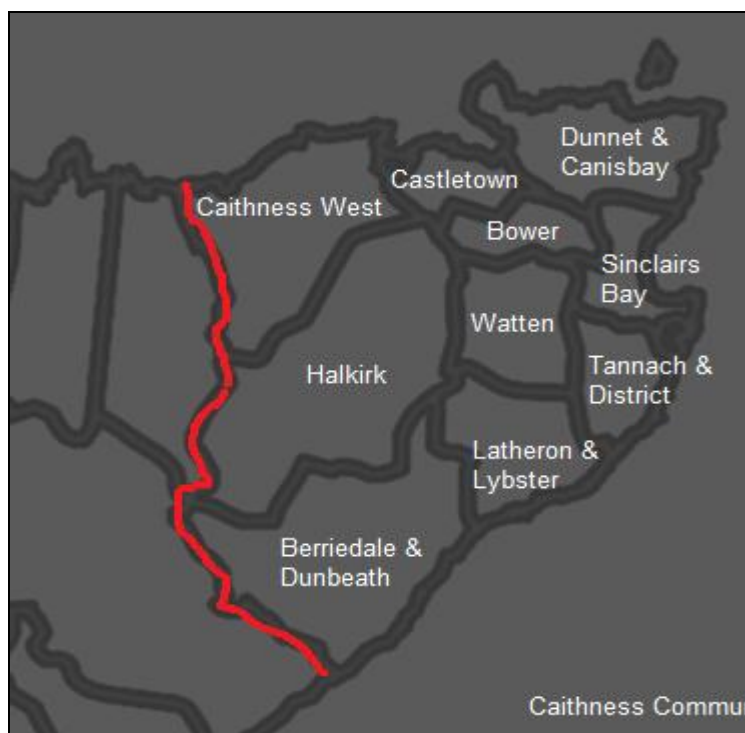
All figures in this section are based on 2011 Census, unless specified otherwise.

Physical Features

The former county of Caithness covers a land area of approximately 1,776 square kilometres with a coastline of 169 kilometres. It divides into 3 broad environments; the coastline with its dramatic cliffs and sandy bays; the moorland of the interior; and the rolling farmland of the Wick and Thurso river basins.

Rich in ecological interest, the key feature of the landscape is the vast expanse of peat land, extending into Sutherland, forming the largest blanket bog in Western Europe.

The natural landscape is enriched by extensive archaeological and heritage remains, reflecting the human influence on the environment and the special character of the area.



Settlement Pattern

Well over half of the population live in either Thurso or Wick, which are 'remote rural small towns', serving as local service centres growing 'out of town' retail centres. The rest of the population live in dispersed villages and townships, which are classed as remote rural settlements, throughout the landward area.

Demographic Profile

Caithness has a population of 26,486 which has risen from 25,552 in 2001. This is an increase of 3.6%, compared to the population increase in Highland of 11.1%.

Almost 50% of the population in Caithness are over the age of 45 years. 33% of the population are aged between 16 and 44 years. These figures are comparable to Highland.

In 2001, 20% of the population were aged 15 years or younger. In 2011, 16 to 29 year olds made up 15.5% of the population. This implies that young people are leaving the area. This change is smaller in Highland as a whole. In 2001 the 15 years and younger was 20% and in 2011, the 16 to 29 year olds was 15% - (adjusting to take account of the differences in the fact that the census categories span 16 and 14 years respectively).

Generally the population in Caithness is ageing. In 2001, 43% of the population were over 45 years; by 2011 this had risen to 49.3%. There is a similar trend across Highland but a slightly lower percentage in the older age group. In 2001, 44% of the population was over 45 years and in 2011 this had risen to 48.5%.

There are 4 areas in Caithness that are ranked in the 15% most deprived areas in Scotland and 10 areas are ranked in the 15% most deprived areas in Highland (see section Local Economy, p20 for more information).

Population

Age Distribution

Almost half of the population of Caithness is aged over 45 (49.6%). This is higher than the Highland average (48.5%). Both are significantly higher than the Scotland average of 44.3%.

The 16 to 29 age group in Caithness (15.5%) is slightly higher than the Highland average of 15.0%, but is well below the Scotland average of 18.5%.

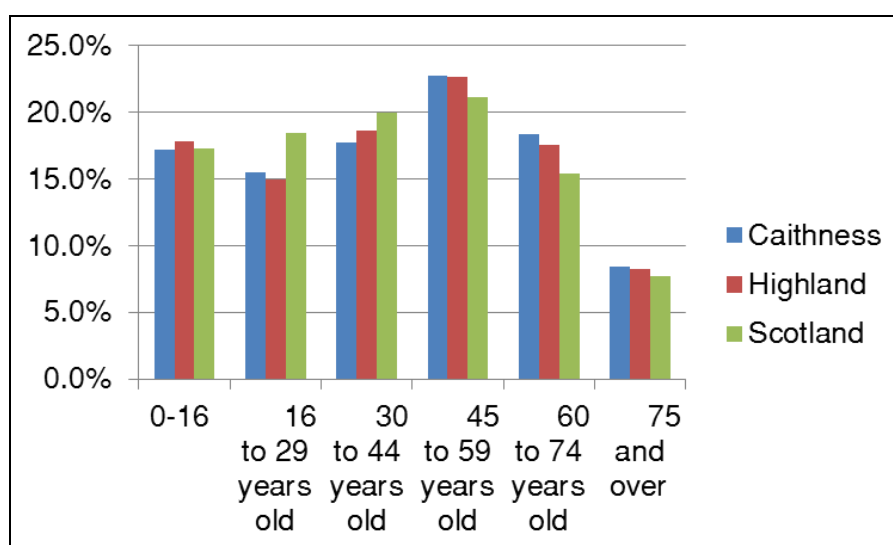
Ethnicity

	Caithness	Highland	Scotland
White- Scottish	84.2%	79.9%	84.0%
White- Other British	13.2%	14.7%	7.9%
White- Irish	0.3%	0.6%	1.0%
White- Polish	0.5%	1.5%	1.2%
White- Other	0.9%	1.9%	1.9%
Asian, Asian Scottish or Asian British	0.4%	0.8%	2.7%
Other Ethnic Groups	0.5%	0.7%	1.4%

99.1% of the Caithness population are White, including 0.5% White Polish. 0.4% of the population are Asian and 0.5% are Other ethnic groups.

There is a higher percentage of White Scottish and Other British people living in Caithness (97.4%) than in Highland (94.6%).

Percentage of Population by Age



Health

82.5% of the population in Caithness rate their health as good or very good. This is comparable to the figures in Highland (84%) and Scotland (82.3%).

19.8% have a long-term health condition that limits their day to day activities.

9.7% of the population provide some unpaid care each week, with 2.5% providing 50 or more hours each week. Similar figures can be seen in Highland and Scotland.

Local Economy

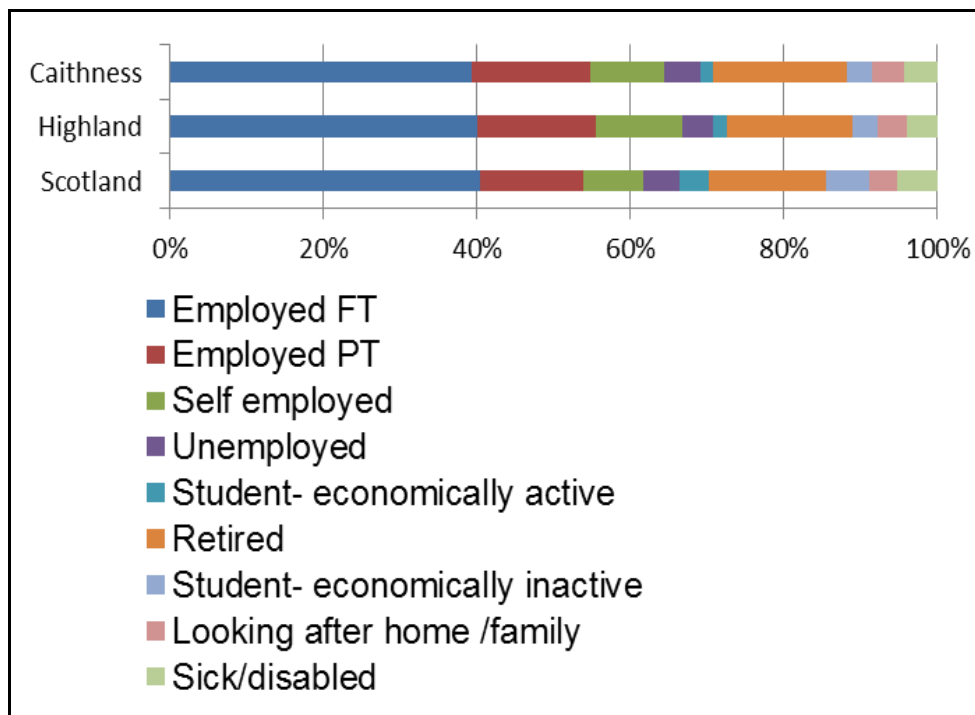
Data Zones in Caithness with SIMD (Scottish Index of Multiple Deprivation) ranks in Scotland and Highland (Highlighted zones are in the 15% most deprived areas of Scotland or Highland).

Data zones are areas that have populations of between 500 and 1,000 household residents. Where possible, they have been made to respect physical boundaries and natural communities. As far as possible they contain households with similar social characteristics.

Data Zones in the LAP Area with Scottish Index of Multiple Deprivation ranks in Scotland and Highland			
Zones in 15% most deprived shaded			
Data Zone	Data Zone Name	Overall SIMD 2012 Rank in Scotland	Overall SIMD 2012 Rank in Highland
S01003977	Wick Pultneytown South	288	3
S01003985	Wick Hillhead North	404	6
S01003976	Wick South	578	9
S01003978	Wick South Head	918	15
S01003984	Wick Central North	1,231	23
S01003971	Lybster	1,301	25
S01003997	Thurso High and Low Ormlie	1,339	26
S01004007	Thurso North West	1,564	33
S01003986	Wick North Primary School	1,668	36
S01003969	Dunbeath	1,799	39
S01004000	Thurso Springpark	2,066	48
S01004002	Thurso Central	2,313	57
S01004001	Castletown	2,337	60
S01003972	Thrumster & Clyth	2,351	61
S01004004	Thurso Mountpleasant	2,476	69
S01003979	Wick South West	2,588	79
S01003981	Wick Pultneytown North	2,619	81
S01003994	Keiss & Lyth	2,815	94
S01003989	Watten	2,988	105
S01004008	John o' Groats	3,172	115
S01003982	Wick Central South	3,251	123
S01003991	Wick North Rural	3,297	127
S01003998	Thurso Mountvernon	3,412	137
S01003992	Halkirk	3,714	161
S01004010	Dunnet	3,724	162
S01003993	Reay	3,773	166
S01003975	Westerdale	3,795	168

S01003999	Thurso Pennyland South	3,801	169
S01003995	Thurso Rural	3,884	175
S01003980	Wick West Rural	3,906	177
S01004003	Thurso Pennyland Central	3,928	180
S01003996	Castletown Rural	3,998	184
S01003987	Wick Broadhaven	4,242	202
S01003983	Wick Hillhead South	4,443	222
S01004005	Thurso Central West	4,449	223
S01004006	Thurso Pennyland North	4,692	242
S01004009	Scrabster	5,132	266

Economic Activity



In 2011, 69% of the population aged 16 to 74 years were economically active, with 3.4% unemployed. This is slightly below the Highland average of 71.5%.

In the 4 areas in the 15% most deprived in Scotland the percentage of unemployed people is more than double, at 8.9%.

13.3% of unemployed people in Caithness have never worked. This is higher than the Highland average of 9.3% but slightly better than the Scotland average of 13.9%.

There is a smaller percentage of students in Caithness (4.8%) and Highland generally (5.0%) than in Scotland overall (9.2%).

17.1% of the population in Caithness are retired, compared to a Scottish average of 14.9%.

Benefits

3.7% of the working age population claimed job seekers allowance in the year November 2012 to October 2013. This is higher than the Highland average of 2.6%, and close to the Scottish average of 4%. (There can be seasonal changes to this figure, as many people work in seasonal jobs in Highland).

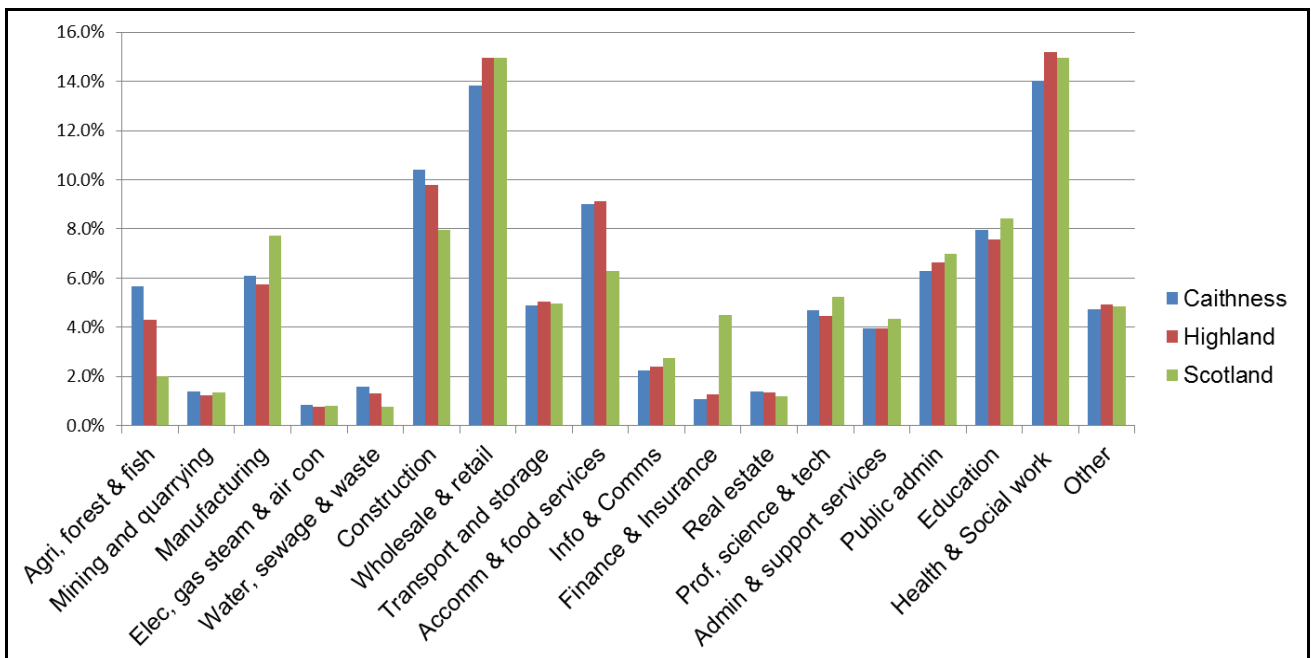
The 2012/2013 figure has been used as this is the 12 months running up to the introduction of Universal Credit. It can be difficult to make comparisons using Universal Credit as this has not been introduced nationally and it is not clear what benefits are being claimed in the Universal Credit payment.

Unemployment		Caithness	Highland	Scotland
% of Unemployed people in the 16 – 74 Year Age Group		3.4%	4.0%	4.77%
Persons aged 16-74 who are unemployed	Aged 16 to 24	29.3%	28.5%	30.2%
	Aged 25 to 49	46.1%	48.6%	51.4%
	Aged 50 to 74	24.6%	22.9%	18.4%

Employment

Employment by Sector

The graph below shows of those who are in employment, the percentage employed in each industry/sector.



Caithness has a higher percentage of people working in agriculture, water supply and construction than Highland or Scotland, and a lower percentage working in finance & insurance and health & social work.

In 2011, 15.1% of people in employment in Caithness worked 49 hours or more a week, which is higher than the Scottish figure of 11.7%

Education

Percentage of Population with Qualifications

As seen in the table below, 30.6% of people in Caithness have no qualifications, compared to 25.5% in Highland and 26.8% in Scotland. A lower percentage hold Level 4 or above qualifications (20%) than in Highland (26.4%) and Scotland (26.1%).

	Caithness	Highland	Scotland
No qualifications	30.6%	25.5%	26.8%
Level 1*	25.1%	24.5%	23.1%
Level 2**	13.5%	14.1%	14.3%
Level 3***	10.8%	9.2%	9.7%
Level 4 and above****	20.0%	26.4%	26.1%

*O Grade, Standard Grade, Access 3 Cluster, Intermediate 1 or 2, GCSE, CSE, Senior Certification or equivalent, GSVQ Foundation or Intermediate, SVQ level 1 or 2, SCOTVEC Module, City and Guilds Craft or equivalent; Other school qualifications not already mentioned (including foreign qualifications).

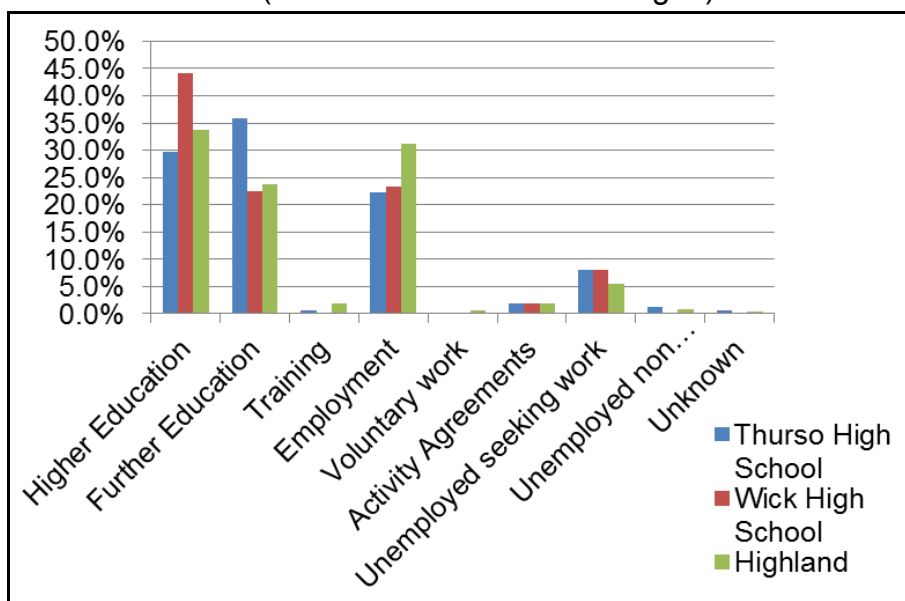
**SCE Higher Grade, Higher, Advanced Higher, CSYS, A Level, AS Level, Advanced Senior Certificate or equivalent, GSVQ Advanced, SVQ Level 3, ONC, OND, SCOTVEC National Diploma, City and Guilds Advanced Craft or equivalent.

***HNC, HND, SVQ Level 4 or equivalent; Other post-school but pre-Higher Education qualifications not already mentioned (including foreign qualifications).

****Degree, Postgraduate qualifications, Masters, PhD, SVQ Level 5 or equivalent, Professional qualifications (for example, teaching, nursing, accountancy), other Higher Educations qualifications not already mentioned (including foreign qualifications).

Leavers Destinations 2013/2014

Highland Council SLDR 2012/13 (Initial Destination Percentages)



The majority of school leavers in 2014 carried on to further or higher education in Caithness and Highland.

30% of Thurso High School leavers and 44% of Wick High School leavers are going on to higher education and are likely to leave the Caithness area to do so.

Around 8% of leavers from Thurso and Wick High Schools are unemployed but seeking work. This again could lead to young people leaving the area if they are unable to find suitable work nearby.

APPENDIX 2: COMMUNITY CONSULTATION - SWOT ANALYSIS

This SWOT Analysis was undertaken during community meetings in June 2014 and refined following feedback from an on line surveys in June and September 2014.

Strengths

- People are positive about human resources; Caithness has a strong and vibrant voluntary sector, with high levels of volunteering.
- The services provided by Business Gateway are a real strength.
- There are some strong 'anchor organisations' developing assets and building income streams.
- People rate their quality of life very highly. Access to outdoor activities, education and social housing are all valued. People are relatively positive about transport, road accessibility being seen as reasonable and access to the airport at Wick a distinct advantage. There is also a rail link from Inverness to Wick and Thurso.
- There is also a skilled and flexible workforce and North Highland College UHI offers access to new skills training and education linked to growth sectors in Caithness
- Caithness has sea and beach sport activities of international acclaim, including surfing (for which it has hosted Scottish, British and World Championship events) and kayaking. It is also served by major cruise ship routes.
- The landscape, rich natural and cultural heritage, a wealth of archaeological sites and proximity to Orkney are all distinctive aspects of the area, which benefit local communities and enhance the area's offering to visitors.
- The remoteness of Caithness is welcomed by many

Weaknesses

- There are some concerns in Caithness about volunteer fatigue and the loss of young people from the community, which both impact on the level of community activity. There are also concerns about the capacity of the third sector and its sustainability (being heavily reliant on vulnerable grant income).
- The strong voluntary sector in the area can be regarded as a weakness in economic terms, as it reduces disposable income and contribution to GDP, thereby suppressing economic growth
- The decommissioning of Dounreay is a major and well documented concern.
- Some concerns also exist around the sustainability of local high street retail communities.
- The remoteness of Caithness can lead to isolation.
- Access to services can be problematic – especially for younger people lacking transport. Whilst the area benefits from rail and air links, journey times can be frustrating and flights relatively expensive (e.g. the train from Inverness to Wick takes

4.25 hours (103 miles or 2.15 hours by road) which does not compare favourably with the journey time of 3.5 hours from Inverness to Edinburgh (155 miles 3.25 hours by road) and flights from Wick to Aberdeen or Edinburgh are invariably twice as expensive as those from Inverness to London.

- The A9 is the main route north the Caithness. Alternatives via Sutherland offer significant detours on single track roads. On the A9, Berriedale is an accident black spot.
- The lack of good quality, consistent broadband/mobile connectivity is a weakness. It impairs the capacity of businesses to function effectively in the market.
- An identified weakness was the lack of development of the Norse heritage of the area, which some in Caithness feel is more relevant than the Gaelic culture.
- The centralisation of many services is seen as a weakness.

Opportunities

- More emphasis on succession planning within the voluntary sector is needed.
- There is potential to build on the skill base associated with Dounreay through work with the North Highland College to develop its learning curriculum.
- There are opportunities for the development of businesses in the food and drinks sector.
- New opportunities continue to emerge in terms of the oil and gas and renewable energy sectors and the establishment of the Scrabster Enterprise Zone. The offshore renewables programmes in Moray and the Pentland Firth could offset the impacts of Dounreay decommissioning.
- These opportunities will be enhanced through new community powers contained in the Community Empowerment Bill and Community Right to Buy. The activities of the Camster Community Fund, and Camster wind farm, demonstrate at a local level the opportunities for Caithness, however there is potential for a more strategic Caithness-wide approach.
- Opportunities exist for funding through the community benefit released from on-shore wind farming.
- More can be done to develop outdoor activities, for example walking which could be enhanced through development of routes, organised walks and events.
- There are opportunities to develop new attractions and improve the offer in existing ones including investment in infrastructure for example, car parking.
- There is potential for development of a seawater sports centre in Thurso Bay, capitalising on the success of surfing, which would not only benefit the local community, but attract visitors from the UK and Europe.

- There is opportunity to improve the perception of the A9. There have been recent improvements and some feel that the perception is far worse than the reality.
- There are opportunities to further develop Wick harbour.
- There is significant potential for the development of tourism and heritage and many specific opportunities have been identified:
 - offering specialist holidays exploiting the area's dark skies, for example astronomy and photography, the natural heritage for example biodiversity, bird watching, wildlife and marine tourism and in particular where these extend the tourist season.
 - develop the beaches and harbours and promote Caithness as an angling destination.
 - tourism with a Norse flavour might reap benefits similar to the Orkney set up, as the Caithness heritage is more Norse based (current Gaelic emphasis is unhelpful for Caithness).
 - there are also opportunities to develop tourism initiatives jointly promoting Caithness and Orkney.
 - the historic and natural resources of Caithness are unexploited in tourism terms.
 - improve the experience for visitors from cruise ships.
- Taking these forward might best be facilitated by a local dedicated tourist development post.

Threats

- The 'drifting' away of younger people to lowlands Scotland and beyond also undermines the capacity of Caithness to develop economically.
- There are major economic threats in terms of the decommissioning of Dounreay and decline of agriculture.
- The impact of the new Common Agricultural Policy is seen to be a potential threat to farming, crofting and fishing industries.
- While no specific local issues were highlighted, the remote nature of the area means that wider economic factors as outlined in the pan Highland SWOT could have a disproportionate effect.
- There is the threat of wind farm developments damaging the scenery/attractiveness of the 'big sky county'.

APPENDIX 3: KEY PRIORITIES FOR CAITHNESS

During June and July 2014, the Highland LEADER team engaged consultants Blake Stevenson to facilitate a series of public meetings across Highland. These sessions were aimed at identifying local opportunities for funding in the Highland LEADER 2014 – 2020 Programme. Meetings for Caithness communities were held in Thurso (19/06/2014). Further consultation was undertaken in the form of an online questionnaire in September 2014.

Combined output from the Caithness meetings and from Caithness respondents to the surveys is attached in the form of a SWOT analysis as Appendix 2.

A review of the SWOT analysis, supported by demographic data, has identified four key challenges for Caithness:

Out-migration of young people

In 2001, 20% of the population in Caithness were aged 15 years or younger. In 2011, 16 to 29 year olds made up 15.5% of the population. Adjusting to take account of the differences in the fact that the census categories span 16 and 14 years respectively, there has been a net outward migration in this youth population of around 4.5% over the ten year period. This implies that young people are leaving the area. A similar change can be seen across Highland.

30% of Thurso High School leavers and 44% of Wick High School leavers go on to higher education and are likely to leave the Caithness area to do so. There is a smaller percentage of students in Caithness (4.8%) and Highland generally (5.0%) than in Scotland overall (9.2%)

Development of tourism

In the SWOT analysis, a noted opportunity was the potential for the development of the tourism sector, including the development of businesses in the food and drinks sector. Looking at industry by employment, Caithness has a lower percentage of people working in accommodation and food service (6.1%) than Highland (9.1%), which implies there are fewer people working in the tourist industry at present.

Access

Using the SIMD, there are 8 data-zones in Caithness ranked in the 5% most access deprived areas in Scotland and 14 are in the 15% most access deprived areas in Scotland.

In the SWOT analysis, a noted weakness was the access to services, especially for people having to use public transport. For example, the average travel time to a retail centre using public transport was over 30 minutes in 11 data-zones, with the travel time being over an hour in two of these data-zones.

Ageing population

Caithness has an ageing population. The proportion of the population over the age of 45 has increased by 6.3% in 10 years, compared with an increase of 4.5% in Highland overall. It was acknowledged in the SWOT analysis that although Caithness currently has a strong voluntary sector, there are concerns around volunteer fatigue. As the population in this area continues to age, there is likely to be a smaller pool of volunteers to carry on this work.

APPENDIX 4: FINANCIAL STRATEGY SUMMARY PAPER FOR LAPs

Programme Finance

The Strategic LAG has agreed the following split of the Programme budget:

Administration/Animation	£2,201,347 (25%)
Co-operation between two or more LAG areas	£440,269 (5%)
Co-operation between two or more LAP areas in Highland	£440,269 (5%)
Rural Enterprise	£880,538 (10%)
Farm Diversification	£880,538 (10%)
Pan Highland – Strategic projects across all/most LAP areas in Highland	£500,000
Local Area Projects	£3,462,427
Total indicative allocation	£8,805,388

Intervention Rates

Programme/Highland wide intervention rates will be revisited for decision when further clarity is received over how state aid will impact intervention rates across the Programme.

Local Decision Making

The Strategic LAG has indicated that it would like the local areas to have as much local control over what they are funding as is possible within the parameters set out by the EU/Financial Regulations. As such, and providing it is detailed as part of the approved Local Area Action Plan, Local Area Partnerships should be able to decide the following locally:

- Local intervention (pending any limits set by the LAG during discussions over a Highland wide rate)
- Whether to issue “in principle” offers (for a maximum of three months)
- Whether to set a limit on maximum grant or project costs
- Whether to go increase the Highland wide limit of a minimum of £5,000 project costs
- Setting of annual allocations within initial review period

Allocations to LAPs

The LAG agreed the following allocations to LAPs using the methodology that the Scottish Government have adopted across Scotland for the 2014-2020 Programming Period:

ALLOCATIONS TO LAPS	
Caithness	£497,080.51
Sutherland	£633,673.16
IMF North	£550,574.97
Wester Ross	£506,688.74
Skye	£313,745.13
IMF South	£412,683.91
Lochaber	£547,978.15
Total	£3,462,424.57

APPENDIX 5: ELIGIBLE ACTIVITIES FOR PRIORITISED OUTCOMES (FRM LDS)

1st Outcome: Increased employment opportunities locally through new business start-ups and existing business diversification/ development

Eligible Activities:

- feasibility and development of new and existing businesses in terms of capital and revenue
- support for social enterprises
- projects that promote partnership within and across sectors
- support for new businesses
- training and employability skills
- business infrastructure (e.g. business units, chilling facilities)
- support the introduction of more efficient processes including in the wider supply chain.

2nd Outcome: Improved access for residents and visitors (physical and knowledge based) to cultural, natural and heritage assets

Eligible Activities:

- new pathways and
- cycle paths, particularly where they link up to other existing paths/cycle routes or create linkages between local villages and sites or have health related benefits
- improved access for disabled people to sites
- feasibility studies/development of new sites
- information products, websites, marketing and promotion initiatives
- projects which promote safe access and appropriate signage
- projects which promote the opportunities for cultural activities to be accessed locally, opportunities to improve biodiversity and habitats around paths and tracks
- improved access to archaeological sites
- projects which promote the Gaelic language and culture

3rd Outcome: People have better access to local services and activities

Eligible Activities:

- feasibility studies and development costs for new services/activities identified as a need within the community
- local solutions for community transport issues, including ways of integrating transport schemes
- feasibility and development of local internet/Wi-Fi centres for use by residents and visitors
- wider initiatives to tackle increased broadband provision and access
- improved information-sharing locally including local website improvement
- feasibility and development of projects that address access to housing and improved access to job opportunities
- projects that promote inclusion and well-being
- health activities across age groups
- local solutions to address the needs of an ageing population
- services for vulnerable individuals and families including piloting initiatives
- services that tackle re-offending, youth disengagement and substance misuse
- community re-use and recycle IT scheme
- training for basic repairs and maintenance

4th Outcome: improvements in the visitor experience

Eligible Activities:

- anything which can demonstrate it will lead to an improved visitor experience which

may include enhancing an existing attraction/service

- providing wet weather facilities (as this has been identified as an area of need in several areas)
- developing and testing innovative ideas
- provision of sustainable transport solutions for visitors projects which promote cultural tourism

APPENDIX 6: LAP MEMBERS JOB DESCRIPTION

Members of Local Area Partnerships will be required to deliver agreed outcomes of the Highland Local Development Strategy at local level to ensure that the Highland LEADER 20014 – 2020 Programme delivers on the commitments. Key Responsibilities will be to:

- Develop a Local Area Action Plan (LAAP) which contributes to the themes, outcomes and outputs required to deliver the Highland Local Development Strategy, with focus on local target groups and priorities.
- Supported by reports from the Programme Administrative Team, Monitoring & Evaluation Committee and Equalities Review Group, monitor and review delivery of the LAAP.
- Make decisions relating to applications for funding.
- Identify specific projects to address any gaps in contribution to the themes, outputs and target groups set out in the LAAP.
- Promote and reinforce the seven LEADER principles of: area-based local development strategies, bottom-up elaboration and implementation of strategies, Local public-private partnerships (Local Area Groups), integrated and multi-sectoral actions, innovation, co-operation and networking.
- Promote and raise awareness and understanding of issues.

Additionally, the LAP Chair will attend Strategic LAG meetings as an advisory representative of the LAP.

Person Specification

- Specific skills/knowledge/experience of at least one of the following sectors: agriculture, forestry, fisheries, tourism, education, small business/enterprise, natural/cultural heritage, community/voluntary, and/or.
- Representative of youth organisations, organisations that provide services/support for the elderly or groups of people with protected characteristics.
- Keen interest in rural regeneration in the Highlands and willingness to work in co-operation with other LAPs, FLAG, Enterprise Group and members of the Programme Administrative Team to deliver a successful Programme.
- Capacity and time to undertake the role. The LAP will meet at least four times a year, in a central location: LAP members will be required to:
 - Read and review all material circulated prior to meetings, to enable be informed decisions to be made at the meetings.
 - Attend all meetings, or where this is not possible, ensure that a named substitute attends (travel expenses can be reimbursed for private sector members).
 - Participate in electronic decision making or requests for comment between LAP meetings.

- Act as a two way communication channel between the LAP and local communities, to maximise engagement and interest in the Programme.
- Engage with individual projects which would benefit from the member's specific skills/knowledge/experience.

APPENDIX 7: HIGHLAND LEADER (2014-2020) PROGRAMME OPERATING GUIDELINES

1. Name of Local Action Group

Highland LEADER Local Action Group (LAG)

2. Objective

In line with the Highland LEADER Local Development Strategy, the Highland LEADER LAG will deliver the Highland LEADER Programme 2014 – 2020 Programme.

The Highland LEADER area will include all of the Highland Council area, except for the Settlement Development Area for Inverness (as given in the 2012 Inverness Local Plan) and the part of the Highland Council area within the Cairngorms National Park.

3. Structure and Composition

The LEADER Programme will be delivered through the Highland LEADER LAG, which consists of a strategic LAG and a suite of seven Local Area Partnerships (LAPs), a Fisheries Local Action Group (FLAG) and an Enterprise Group. Local Area Partnerships will cover the following areas: Caithness, Sutherland, Wester Ross, Skye, Lochaber, Inner Moray Firth North and Inner Moray Firth South).

Two sub groups to the strategic LAG will also be established to advise on Monitoring & Evaluation (Monitor & Evaluation Committee – M&E), and Equalities (Equalities Reference Group - ERG).

4. Governance

4.1 The Highland Community Planning Partnership (CPP)

The Highland LEADER Programme is a Highland Community Planning Partnership supported initiative which is central to the partners support for community development across the region and the place communities have in the delivery of the Highland Single Outcome Agreement 2013/14 – 2018/19.

The Board of the Highland Community Planning Partnership therefore have an active interest in the success of the Highland LEADER Programme 2014-2020 and have agreed that while the delivery of the Local Development Strategy (LDS) will be overseen and managed by the Strategic LAG, the Board will receive an annual report on progress. The Board's operational involvement with the Programme will be via the Highland Council as the accountable body.

4.2 The Highland Council

The Highland Council, on behalf of the LEADER strategic LAG, has agreed to be the accountable body for the Highland LEADER Programme 2014-2020. In doing so the Council has accepted delegated responsibility for administering LEADER finances under the terms of a Service Level Agreement that will be entered into with the Scottish Government.

The Council has also accepted that in being the accountable body it will be responsible to the Strategic LAG (including the Local Area Partnerships and the Fisheries and Enterprise Groups) for supporting the operation of the LEADER Programme and supporting the successful implementation of the Local Development Strategy

4.3 Memorandum of Understanding

In order that all involved in the Highland LEADER Programme 2014-2020 are clear about their respective roles and responsibilities, it is proposed to prepare a Memorandum of Understanding (MoU). This will build upon the Highland LEADER Programme 2014-2020 Operating Guidelines and the positive and supportive working arrangements already established. The MoU will specifically address the relationships, roles and responsibilities between the:

- Council (as accountable body) and the Strategic LAG;
- Council/Strategic LAG and LAP's and Fisheries and Enterprise Groups

In addition, to aid understanding of the context within which the LEADER Programme operates, the MoU will set out the headline roles and responsibilities contained within the Scottish Government/accountable body Service Level Agreement.

The MoU will be subject to review during the 2014-2020 Programme period.

5. Decision Making

5.1 Application Approval

Local decision-making on local projects based on a local development strategy is the core principle around which the Highland LEADER Programme 2014-2010 will be based. This means essentially, decisions on pan Highland or strategic projects will be taken at the Strategic LAG and decisions on local projects will be taken by the respective LAP. This decision-making approach will be continued and complemented with the Enterprise Group making decisions on enterprise applications and the Fisheries Group making recommendations to Marine Scotland on fisheries applications.

Projects will be considered and assessed as part of a two phased approach, with the first phase being triggered by the submission of an Expression of Interest, allowing early consideration of project proposals by the strategic LAG, LAP's, Fisheries or Enterprise Groups. This will provide the opportunity to identify projects which meet the objectives of the local development strategy and to offer comments during the development of a project and before a formal application is completed and submitted for grant approval.

The Strategic LAG, each of the LAP's and the Enterprise Group will have authority to make grant award decisions on applications that come before them. As per Scottish Government guidance, the FLAG will make recommendations to Marine Scotland on grant award decisions. Approval of Expressions of Interest and Applications will be assessed against agreed scoring templates

If for any reason any of the LAP's or the Fisheries or Enterprise Groups are unable to determine an request for funding, it will be referred to the Strategic LAG for a final decision.

If the LAP's, Fisheries or Enterprise Groups conclude that a specific project is required to deliver the Local Development Strategy, a partner organisation who is a legal entity, will be invited to develop a project proposal. Such a project will be considered in accordance with the established two phased decision-making process, but amended whereby the decision on grant award (or in the case of EMFF, the recommendation to Marine Scotland) is taken by the Strategic LAG. This division in decision making ensures that the project proposal receives the same level of scrutiny as any other project and cannot receive preferential consideration.

If the Strategic LAG is advocating that a strategic project is developed, a similar process will be followed but amended in that each of the LAP's will be asked to score the application. These scores will be presented to the Strategic LAG to inform their discussion – the final decision on grant award will be made by the strategic LAG. This will help ensure that any strategic project developed will receive local scrutiny and cannot receive preferential consideration.

If a grant award decision is taken by any of the LAP's or the Enterprise Group and the LEADER team have concerns over the propriety of the decision reached, the grant award will not be acted upon and the matter referred to the Strategic LAG Chair to determine whether the decision taken should be reconsidered or referred to the Strategic LAG for determination. This will also apply to recommendations that the FLAG make to Marine Scotland for grant award decisions.

5.2 Appeals/Complaints

Procedures for appeals will follow national guidance issued by the Scottish Government.

Complaints will be dealt with through the Highland Council complaints process:

http://www.highland.gov.uk/info/670/consultations_complaints_and_compliments/368/make_a_complaint

6. Operational Management and Delivery

6.1 Strategic Local Action Group (Strategic LAG)

The Strategic LAG will be responsible for the overall management and strategic direction of the LDS. It will monitor progress in the delivery of the Highland LEADER Programme 2014-2020 and either through direct action itself or through directing others ensure delivery of the LDS.

Membership of the Strategic LAG will reflect the aims of the LEADER Initiative regarding involvement of community representatives while achieving the necessary balance of statutory, private and community representation, i.e. 49% public maximum with the other 51% drawn from private/community representatives.

Initial formal voting members of the Strategic LAG (membership may change over life of the Programme) will be drawn from the following:

- National Farmers Union
- Tourism Sector
- Forestry Sector
- Federation of Small Businesses
- Crofters Federation
- Third Sector Interface
- Fisheries Local Action Group
- Highlands & Islands Enterprise
- Scottish Natural Heritage
- University of Highlands and Islands
- The Highland Council
- NHS Highland

Initial advisory members of the Strategic LAG (membership may change over the life of the Programme) will be drawn from:

- Accountable Body Advisor
- Visit Scotland
- Forestry Commission
- Enterprise Group
- Representative from each LAP
- Monitoring & Evaluation Committee
- Highland Youth Convener
- Highland Council Environment Manager
- Equalities Reference Group
- LEADER Programme Manager and Administrative Team
- Ad-hoc Advisors as required

Strategic LAG members will appoint a Chair and Vice Chair for a two year period, and will appoint/re-appoint the Chair and Vice Chair every two years. The Chair will not be a representative of the accountable body. Best practice will be that where possible the Chair and Vice Chair will not represent the public sector.

The Group will also complete a skills matrix to ensure that it includes representation from key sectors, and target groups which should be given priority for LEADER funding, as well as demonstrating a good geographic and demographic mix. Where any gaps are identified, the Group will call on specialist advisors and/or make a public call for additional membership (using the Code of Practice for Ministerial Appointments to Public Bodies, April 2012). This process will be repeated as required or at least every two years. It may be required if for example consideration of a specific project proposal requires specialist skills or knowledge.

Any requests to join the LAG will be submitted in writing, along with a completed skills matrix, and decided at the next meeting following receipt of the request and in line with the decision making process outlined below.

If a member of the strategic LAG or their substitute does not attend over three consecutive meetings, the presumption is that membership will be terminated at the discretion of the Chair. The Strategic LAG's role will be to oversee the successful establishment and operation of the Programme throughout the Highland LEADER Programme area. In doing so it will;

- Meet at least 4 times a year (to be reviewed as appropriate).
- Approve, monitor and review as appropriate a financial strategy for the allocation of funding to achieve the aims of the LDS.
- Consider reports from the Programme Manager and the Monitoring & Evaluation Committee concerning the delivery of the Programme. This shall include progress on applications received, approved, grant committed, grant claimed and progress on achieving the agreed output targets.
- Consider annual reports, which will be forwarded to the Scottish Government as part of their monitoring and evaluation process.

- Consider regular financial reports, which will detail expenditure, accrued on the administration and delivery of the Programme and on projects. These will reflect the information submitted to the Scottish Government as quarterly financial claims.
- Maintain liaison with the UK/Scottish LEADER Network and ensure representation at its meetings.
- Review progress made towards achieving targets set in the business plan and if necessary, issue revised guidance to the LAPs, FLAG and Enterprise Group to address any anomalies.
- Advise on communication and publicity strategies.

This Strategic LAG will:

- Take the lead on transnational/trans-regional aspects of the Programme; supported by the Programme Manager and Local Development Officers.
- Seek a link to the Highlands & Islands Transitional Committee (HITC) to ensure consistency and added value.
- Ensure the horizontal themes of Fairer Highland, Innovation, Sustainability/Legacy, Carbon Clever and Skills Development are adhered to.
- Approve Local Area Action Plans which will be prepared by LAPs. The strategic LAG will, after consulting with the relevant LAPs, local groups, or equivalent, assess and approve project applications for individual pan Highland projects or projects that span more than two LAP areas.

Subsidiary groups of the strategic LAG should follow these operating guidelines or establish their own, which should be signed off by the strategic LAG in order to ensure consistency with the LEADER requirements.

As a minimum, operating guidelines for these groups should ensure compliance with LEADER requirements as set out in this document around:

- Membership
- Quorum
- Appeals/complaints
- Chair
- Declarations of Interest
- Decision making
- Delegated authority

And should provide for delivery of the functions as described below:

6.1.1 Monitoring & Evaluation Committee

The main function of the Monitoring & Evaluation Group will be to monitor, assess and report progress against the Monitoring & Evaluation Plan and to ensure that any actions agreed at the Strategic LAG are followed through.

6.1.2 Equalities Reference Group Equalities Reference Group (ERG) - advisory

The main functions of the Equalities Reference Group will be:

- Reviewing applications for projects that have significant equalities issues/impact and providing guidance to applicants, decision making groups and the LEADER Team, including recommendations on project specific conditions to address the issues/impact.
- Providing guidance and support to the LEADER Team in the development of processes, communications and guidance for applicants to ensure equalities issues are considered from the pre-application stage to project completion (for example in relation to Publications & Printed Materials, Websites, Community Engagement, Holding Public Events, Holding Training Events).
- To input to the ongoing EQIA process and monitor actions being taken to address issues arising.
- To keep the Strategic LAG updated by reporting on any trends/key issues, and progress against EQIA actions.

6.2 Local Area Partnerships (LAPs)

LAPs will provide the local focus for the new LEADER programme, bringing local knowledge and expertise to determine prioritisation and the allocation of funding to project applications and facilitate delivery of the Programme. A transparent process should be used to establish these groups as agreed by the strategic LAG and the following guiding principle will need to be adhered to: groups must reflect public, private and voluntary sector interest in their area (49% public maximum with the other 51% drawn from private/community representatives) and must be able to demonstrate through the preparation of a local area action plan and its implementation a link with the Highland LEADER Plan.

Local groups will be expected to:

- Co-ordinate the preparation of and implement a local action plan for their area, which meets the aims of the Highland LEADER LDS.
- Work with local groups to exploit opportunities offered through LEADER and other funding streams.
- Meet on a regular basis (as a minimum 4 times per annum, to be reviewed as appropriate).
- Promote the Programme across area.
- Assist and lead as appropriate with the development of local project proposals/plans.
- Once the local action plan is approved consider and make decisions on applications seeking grant assistance.
- Ensure wide community involvement in line with the National Standards of Community Engagement.
- Comment to the strategic LAG on projects which impact locally but are of a pan Highland or are of wider local area coverage.

- Monitor delivery of LEADER funded projects and either through direct action via one of its partner organisations or through the encouragement of others, ensure delivery of the LDS.

6.3 Fisheries Local Area Group (FLAG)

The FLAG will oversee the delivery of the European and Maritime Fisheries Fund (EMFF) funding in line with the integrated vision of the LDS, bringing local sectoral knowledge and expertise to determine prioritisation and the allocation of funding to project applications and facilitate delivery of the Programme. The FLAG will:

- Work with local groups to exploit opportunities offered through EMFF and other funding streams.
- Meet on a regular basis (as a minimum 4 times per annum, to be reviewed as appropriate).
- Promote the Programme across area.
- Assist and lead as appropriate with the development of local project proposals/plans.
- Consider and make recommendations to Marine Scotland on applications seeking grant assistance.
- Ensure wide community involvement in line with the National Standards of Community Engagement.
- Monitor delivery of EMFF funded projects and either through direct action via one of its partner organisations or through the encouragement of others, ensure delivery of the LDS.

6.4 Enterprise Group

The Enterprise Group will oversee the delivery of the Rural Enterprise funding in line with the integrated vision of the LDS, bringing local sectoral knowledge and expertise to determine prioritisation and the allocation of funding to project applications and facilitate delivery of the Programme. The Enterprise Group will:

- Co-ordinate the preparation of and implement a local action plan , which meets the aims of the Highland LEADER LDS.
- Work with local groups to exploit opportunities offered through Rural Enterprise funding and other funding streams.
- Meet on a regular basis (as a minimum 4 times per annum to be reviewed as appropriate).
- Promote the Programme across area.
- Assist and lead as appropriate with the development of local project proposals/plans.
- Once the local action plan is approved consider and make decisions on applications seeking grant assistance.

- Ensure wide community involvement in line with the National Standards of Community Engagement.
- Monitor delivery of projects awarded Rural Enterprise funding and either through direct action via one of its partner organisations or through the encouragement of others, ensure delivery of the LDS.

6.5 Partners

Partner organisations across the community, business/third sector and public sectors, in addition to submitting representatives to the strategic LAG, LAP's and Fisheries and Enterprise Groups, will provide overall guidance on policy and project matters and, through its emphasis on ensuring a balanced representation of public sector agencies and community and the voluntary sector, to ensure a bottom up approach based on the ideas of local people, encouraging community involvement, partnership and innovation.

It is the responsibility of partners to communicate with other organisations in the sector which they represent. Organisations will be encouraged to appoint substitutes to attend meetings on their behalf if the usual representatives are unable to attend.

If the strategic LAG, LAP's, FLAG or Enterprise Group considers it necessary to encourage or facilitate direct action to deliver aspects of the LDS, the partners, or The Highland Council, may directly deliver a project/activity on their behalf.

7. Delegated Authority

Authority is delegated to the Secretariat, the Chair/Vice Chair of the LAG and the Accountable Body in respect of changes to approved applications. The following is a non-exhaustive list of example situations where this authority might be exercised:

- Where, during the course of an approved project, expenditure exceeds or is less than the indicative budget set, permission to switch budget between one budget head and another (referred to as project virement), may be granted by the Secretariat. Virement should only be considered if the existing purpose of the project is not affected, the change is complimentary to the project and or brings additional value to the project.
- Where the scale of the change exceed 10% of the total project costs the request for approval will be passed to the strategic LAG Chair and Vice Chair for authorisation. Where the changes are deemed to be significant the strategic LAG or LAP views will be sought.
- Where total project costs increase by up to 10% and provided the increase is within the spirit of the approval, the Programme Manager, Chair and Vice Chair will have delegated authority to approve this change. If the change is in excess of 10%, the request is passed to the original decision making authority for a decision.
- Where a project requires an extension to the finish date or a revision of project milestones the Secretariat may approve a change to that date.
- Where alternative, but sufficient, match funding is proposed, relative to the original application, the Secretariat may approve the necessary changes.

- Any matters of ambiguity around delegated authority will be referred to the Chair, Vice Chair and Accountable Body.

8. Additional Rules Of Procedure For The Strategic LAG

8.1 Conduct of Meetings

- Meetings of the partnership will be arranged to ensure that they are as accessible as possible to all members of the partnership and that timing, venues and the need for video/ teleconferencing are suitable. Meetings will be arranged with a minimum of one month's notice where possible to avoid conflict with other commitments.
- All meetings will be minuted (by the Secretariat) and approved minutes will be freely available and posted on the Highland LEADER website.

8.2 Chair

- The Strategic LAG will appoint a Chairperson and Vice Chairperson. At all meetings of the LAG, the elected Chairperson, or in their absence, the Vice-Chairperson shall preside over the meeting. The Accountable Body will not be appointed to the Chair or Vice Chair position.
- If both are absent, partners will choose a member to preside. Members should respect the authority of the (acting) Chairperson who will decide matters of order, competency, relevancy and urgency.
- The Chairperson's duty is to preserve order and ensure that all members/partners are given a fair hearing. Appointment of the Chair and Vice Chair will be reviewed every two years.

8.3 Quorum

- The Strategic LAG will be quorate when there are at least 5 voting members present – 3 of which must be either community or private/third sector.
- If more than 5 members are present, the required 51/49% split between community, business, third sector and public sector voting members must be achieved.
- Where the meeting is inquorate due to the balance of public/private representation, but the requirement of 5 voting members has been met, the second vote of the Chair/Vice Chair may be used to count towards the quorum.
- If members of the Strategic LAG are unable to attend a meeting, their named substitute should attend.
- For purposes of the quorum, participation of partners by video-conferencing links will be considered as present.
- Where a large number of LAG members declare an interest in an item, leaving the meeting inquorate for that item, the remaining members of the LAG shall be competent to debate and decide that item at the earliest opportunity, using whichever procedure is expedient.

- If the meeting is not quorate no decision can be taken but at the discretion of the Chair/Vice Chair, the meeting can discuss and make recommendations which in turn can be circulated to the wider membership for a decision to be taken by written/electronic procedure.
- Where a quorate response cannot be achieved (either at a meeting or by written procedure) then the LAG/LAP can continue to discuss the item and put forward their recommendation to the Chair and Vice Chair to determine. This approach will only be acceptable if the Chair and Vice Chair positions are not dominated by the Public sector, ie as a minimum there must be a 50:50 split between public and community/private representation.
- Use of video conference/skype/telecommunications will be encouraged to overcome distance/travel barriers and aid discussions/decision-making by the strategic LAG, LAP's and Fisheries and Enterprise Groups.
- The preference will always be to have meetings – be they in person and/or via video conference/skype/telecommunications to encourage dialogue and debate rather than taking decisions by written/electronic procedure; however, decisions taken by written/electronic procedure will be valid.

8.4 Declarations of Interest

All members of the strategic LAG will be required to make declarations of interests. Such declarations of interest are intended to produce transparency in regard to interests which might influence, or be perceived to influence, any actions/decisions taken.

Where an interest has been declared from a member and it is considered as a conflict of interest, then that person should withdraw from the meeting while the item is being discussed and a decision taken.

Representatives from match funders, where they are not the applicant, are only eligible to participate and vote on the discussions relating to an application if the representative does not have direct financial responsibility for funding the project. For example, a Highlands and Islands Enterprise Officer might remain in the meeting if the project under consideration was funded by another part of the organisation for which s/he has no budgetary influence. In such cases the minute of meeting should state that any such person remaining in and participating in the meeting did not have funding responsibilities for the project.

If any elected Members of The Highland Council are members of the strategic LAG, they do not need to declare an interest unless s/he has a direct financial connection with the project or applicant, e.g. is an employee or Director of the applicant body, or has a close relative with a direct connection with the project or applicant, or has a direct budgetary responsibility for some portion of the project's match-funding (including Ward discretionary funds). Such a stance is in accordance with the Standards Commission Scotland's The Councillors' Code of Conduct (3rd edition, December 2010 s.5).

Other members of the Strategic LAG are also required to comply with the above procedure. Interests will be declared and recorded in a formal Register of Interests, which will be maintained by the Programme secretariat.

8.5 Order of Business

The main business of meetings will be to consider the progress of the LEADER Programme and strategic issues and, if required, to consider grant applications.

Notwithstanding this, the items of business will be considered in the following order:

- Those members present and apologies
- Declarations of interest by members
- Minutes of previous meetings will be considered as a correct record
- Matters arising
- Progress Reports
- Consideration of grant applications, as required
- Urgent business intimated at the start of the meeting
- Any other competent business included on the agenda
- Date, Time and Location of next meeting

8.6 Decision Making and Voting

Subject to compliance with the LEADER guidelines as laid down by the European Commission and the Scottish Government as the Managing Authority, all questions coming or arising before the meeting will be decided on a consensus basis or failing this by a majority of the members present.

Views from LAG members submitted in writing or by e-mail prior to the meeting will be accepted and included as part of the discussion.

While efforts will be made to seek a consensus decision, where this proves not possible a vote may be taken by a show of hands. In the event of a tie, the Chairperson will have a second or casting vote. In the case of subsidiary groups to the LAG, the Chair will also have the discretion to refer the matter to the LAG for a final decision.

In terms of scoring stage one and stage two applications for funding, voting members of the LAG present at the meeting will agree an overall score for each of the criteria laid down in the scoring template and this score will be noted in the meeting minutes. Where a consensus score cannot be reached the paragraph above applies.

LAG members will be expected to individually score applications in advance of meetings. Where there are a high number of applications to be considered then scoring members will be paired up and will take the lead on scoring of allocated projects.

The presumption is that decisions on funding applications will be made following discussion at a meeting; however, in exceptional cases decisions on applications can be made by written procedure. In this case, two LAG members (at least one of whom will be from the private sector) will work together to agree scores for the application which will then be circulated to the LAG as a recommendation for a decision by written procedure.

8.7 Special Meetings

Special meetings may be called at any time if the strategic LAG or Secretariat receives a request from partners setting out the purpose of the business to be considered at that meeting.