

REVIEW OF THE 2023-24 OH CLLD YEAR

OVERVIEW

For 2023-24, the Scottish Government (SG) allocated an initial tranche of £6.7m of revenue funding to support CLLD across Scotland of which the Outer Hebrides CLLD Local Action Group was awarded £267,042.38. By bidding for additional funding and participating in collaboration projects, the OH CLLD LAG was able to increase their overall budget to £434,135.74.

SG had identified the following priorities for CLLD in 2023-24:

- Helping families and services through the cost-of-living crisis;
- Eradicating child poverty;
- Transforming the economy to deliver net zero; and
- Creating sustainable public services.

Any project supported also had to demonstrate that it advanced inclusion, equality and diversity.

The LAG used earlier studies, feedback from the 2022-23 programme, input from communities and their personal knowledge and experience to prepare a local development programme – entitled the ‘Community Led Vision’ (CLV) – which the CLLD Coordinator was tasked with implementing.

As in previous years, Comhairle nan Eilean Siar acted as Accountable Body, taking responsibility for staffing and administration, ensuring that finance was in place and that proper audit and legal processes were followed, whilst not having direct control over how CLLD funding is spent.

While the 2023-24 CLLD year saw a number of challenges arise, the programme was largely implemented successfully and 99.3% of the allocation was claimed. All 2023-24 CLLD activities have now ended, finances rolled up and a final report submitted to SG.

2023-24 PROJECT STRANDS

The 2023-24 CLV initially identified six distinct strands: Design Grant; Small Grants Scheme (using Participatory Budgeting); Youth LAG; Community Transport Network; Reducing Energy & Emissions study; and LAG Development. Once capital funding was secured, a Capital Fund strand was added. The Reducing Energy and Emissions study strand was put on hold as it became apparent that there was significant overlap with work being undertaken by the recently established Islands Centre for NetZero.

1. Design Grant

This grant scheme aimed at community organisations followed the principles of the previous 2022-23 Design Grant, offering successful applicants up to 100% of the costs associated with the design and development stages of large-scale capital projects, including buying-in expertise. This strand benefitted significantly from additional revenue leveraged in. Over a number of rounds, 10 projects received a total of almost £207k.

2. Small Grants Scheme (using Participatory Budgeting)

This strand trialled Participatory Budgeting (PB) for the first time. Following an initial vetting process by the LAG to ensure compliance with fund criteria, 20 projects were presented for public vote, with funding allocated in order of most votes achieved until the budget was committed. This strand encountered a number of challenges, firstly through being undersubscribed (as a result of which the budget was reduced) then through the voting platform being affected by a cyber-attack on the Comhairle. There also were a number of changes made to projects in the implementation phase, meaning that despite the comparatively small sums involved, this proved a very resource intensive strand. The various challenges were overcome though and on balance the strand was deemed a success with 11 projects receiving almost £20k. The LAG agreed that despite initial reservations the PB process had worked well and that they should consider utilising PB again in future if a suitable opportunity presented itself.

3. Youth LAG

Building on work undertaken in 2022-23, during 2023-24, YLAG membership increased significantly and the group became better established and more formalised. A student employed on a summer placement was instrumental in this while also further contributing to the LAG's commitment to offer opportunities to the next generation. The YLAG – via the LAG – once again participated in a national collaboration project which provided them with an operating budget of £16k and enabled the LAG to free up some of the £20k budget initially allocated to the YLAG strand. Further details on the YLAG's activity can be found in a separate YLAG 2023-24 report.

4. Community Transport Network

The TAS Partnership – who supported the LAG by undertaking a baseline review of Community Transport (CT) in the Outer Hebrides in 2022-23 – were contracted to help set up and support a local CT Network, in addition to delivering MiDAS training locally, which had been identified as a gap in the 2022-23 report. Contact was made with various CT stakeholders and Network meetings took place. Engagement with the CT Network wasn't as enthusiastic as had been hoped, particularly among some key stakeholders such as the two largest CT providers (Tagsa Uibhist and Voluntary Action Barra & Vatersay) and NHS Western Isles. Efforts were further hampered when it became apparent that cuts to Comhairle budgets for 2024-25 would result in a significant reduction in CT finances. Despite this contract having now ended, TAS, through its partnership agreement with the Community Transport Association, hope to continue to offer local providers some support and advice in areas such as sustainable charging strategies.

MiDAS training was delivered successfully and resulted in four individuals – one in each island group – becoming qualified to deliver minibs driver training (DAT) to their organisations and communities.

5. LAG Development and Capacity Building

In December 2023, the LAG held a session in which they undertook a detailed review of recent CLLD activity as well as engaging in in-depth discussions about potential future priorities and strategies. They also discussed current governance arrangements and how

these may be strengthened. Due to time constraints and workload, a follow-up meeting to formalise outcomes could not go ahead as planned. Instead – and depending on future funding and conditions – the LAG decided to contract an outside consultant in 2024-25 to assist with this strand.

The CLLD Coordinator attended the Scottish Rural and Islands Parliament in November 2023 and also undertook a leadership course in early 2024. Further to this, a LAG member attended and contributed to the CLLD Network meeting in Glasgow in March 2024.

6. Capital Fund

This strand was added after the CLV had been agreed, when additional capital funding became available from SG. Initially, projects were able to request up to £10k though this was increased when additional funding became available. Twelve projects were supported, sharing just short of £95k.

7. Reducing Energy & Emissions study

Aware that a significant amount of work was already ongoing locally and nationally to tackle Climate Change and NetZero, the LAG intended to commission a study to map current activity, identify gaps and suggest how future CLLD activity could support this most effectively and strategically. Following conversations with a number of key stakeholders, in particular the recently established Islands Centre for Net Zero (ICNS) it became apparent that there was already a significant amount of mapping taking place and that any further study risked duplicating work already being undertaken by others. The LAG therefore decided to not progress with this strand during the current CLLD year.

COLLABORATION PROJECTS

Further to implementing its own programme, the OH CLLD LAG participated in two collaboration projects during the 2023-24 year.

YLAG COLLABORATION PROJECT

As in 2022-23, the OH CLLD LAG again collaborated with other CLLD areas to further develop YLAGs locally and nationally. In addition to the Outer Hebrides the project was supported by the LAGs of the Borders, Cairngorms, Fife, Forth Valley & Lomond, and Orkney. While Fife nominally acted as Lead Partner, each area was allocated an indicative budget of £16k which they managed and claimed for themselves. This greatly reduced the administrative burden on the Lead Partner and was found to be a suitable approach for this type of collaboration project.

Further details on the YLAG's activity can be found in a separate YLAG 2023-24 report. This collaboration project proved so successful that SG are looking at ways of ringfencing funding for its continuation in future. Several other CLLD areas have expressed an interest in establishing their own YLAG in future.

RESEARCH INTO POTENTIAL IMPACTS OF UPCOMING CHANGES TO AGRICULTURAL SUBSIDIES

The OH CLLD LAG collaborated with CLLD LAGs, Councils and other stakeholders in Orkney and Shetland to commission research into potential impacts on island communities of the upcoming Agriculture and Rural Communities (Scotland) Bill. Orkney Council acted as Lead Partner and the work – worth in the region of £100k – was funded through a separate

collaboration budget. The report has been shared with key stakeholders and is currently awaiting SG approval for publication. The lead researcher is intending to visit the OH in the coming weeks to present the report's main findings. It is anticipated that the research findings will have wide-reaching impacts far beyond those immediately connected to agriculture.

BUDGET

For 2023-24, the Scottish Government allocated an initial tranche of £6.7m of revenue funding to support CLLD across Scotland of which the OH CLLD LAG were awarded £267,042.38 (3.99% of the national budget). By bidding for additional funding when this became available during the course of the year, the final revenue budget accessed was £323,235.74 and the OH CLLD LAG also were awarded a capital budget of £94,900.00. By participating in a YLAG collaboration project an additional £16,000.00 was secured which was allocated to the OH CLLD YLAG as an operating budget. In addition to this, the OH CLLD LAG held a share in a 100k collaboration project on agricultural subsidies in island communities. All finances for this project were managed by Orkney Council as the project's Lead Partner, however.

Ultimately the OH CLLD LAG managed an overall budget of £434,135.74 in 2023-24 and total expenditure came to £431,254.61, 99.3% of the budget available.

Initial budget submitted in 2023-24 CLV

Admin & Animation (incl. staffing)	£81,114.80
Design Grant	£100,000.00
Small Grants Scheme (PB)	£40,000.00
Youth LAG (excl. student placement)	£14,000.00
Summer student for YLAG	£6,169.00
Community Transport Network	£15,500.00
Reducing Energy & Emissions Study	£10,000.00
LAG Development	£258.58
Total:	£267,042.38

Funding claimed in 2023-24

Admin & Animation (incl. staffing)	£67,423.28
Design Grant	£206,916.18
Small Grants Scheme (PB)	£19,600.17
Youth LAG (excl. student placement)	£440.22
Summer student for YLAG	£6,935.47
Community Transport Network	£16,015.02
Capital Fund	£94,635.08
LAG Development	£3,670.40
Total:	£415,635.82

YLAG Collaboration Project

Development & capacity building	£1,346.63
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Profile raising	£1,275.21
YLAG Fund	£8,996.95
YLAG Film & Professional Development project	£4,000.00
Total:	£15,618.79

TOTAL CLAIMED IN 2023-24:	£431,254.61
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SOCIAL VALUE ENGINE

The social impact of funding awarded during the 2023-24 programme was assessed using the Social Value Engine (SVE), a tool recommended and funded by SG. This found that the average Social Return on Investment of projects funded by the OH CLLD LAG and YLAG came to £4.09 for every £1 invested. According to the UK Government Appraisal Guide, this is deemed to be “high value for money”.

AUDIT

Comhairle nan Eilean Siar, as Accountable Body, undertook an internal audit on the 2023-24 Programme, reviewing data relating to 30 CLLD-funded projects from the Design Grant (9 files), Capital Fund (13 files) and Small Grants Scheme (8 files). The internal auditor concluded that they “*found the documentation provided to us of a high standard and the interaction and communications with the member of staff involved [i.e. the CLLD Coordinator] was excellent*”.

The audit was scheduled to take place in September 2023, however, following an initial review of files, it became apparent that it was too early in the CLLD year to undertake a meaningful assessment of processes and the review was therefore postponed until December 2023. In November 2023, however, the Comhairle suffered a cyber attack which led to the loss of all files stored on the joined server, meaning that by December 2023 even fewer files were available. For this reason, the audit was further postponed to allow for data to be reinstated (to a point) and further data gathered. An in-depth evaluation then took place in April 2024 enabling the auditor to review the process from start to finish.

The final report, which will be presented to the Comhairle’s Audit and Scrutiny Committee in June 2024, found that “*based on the audit work carried out our overall opinion is that a substantial level of assurance can be placed upon the control environment of the service/area under review. A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.*”

The report identified three potential weaknesses, one of which was rated a medium risk and two as low risk. These were as follows:

- Medium 1: The OH CLLD Coordinator works in isolation with no segregation of duties in place for the processes from submission of applications to payment of grants. This poses

a risk in that any errors or discrepancies may go undetected and not be identified timeously. It was noted that applications for an assistant were being sought when Internal Audit initiated their review (September 2023) but the post was not filled.

While identifying this as a medium risk (i.e. an important issue, relating to controls being absent, not operating as expected or could be improved), the auditor took comfort in the fact that all submissions are scrutinised independently by the LAG before the award stage.

- Low 1: Discussions with the CLLD Coordinator confirmed that not all applicants provided written statements confirming compliance with the requirements of the Minimal Financial Assistance (MFA) provisions of the Subsidy Control Act 2022, which must be received prior to any payments being released.
- Low 2: There is a potential for incorrect amounts being claimed and paid out due to uncertainty or misunderstandings about VAT rules. When such a case arose in 2023-24, the OH CLLD Coordinator sought clarity from the Scottish Government.

Responsibility for VAT compliance lies with the claimant. The report recommends that in the event that no information is forthcoming from SG, clarification should be sought from HMRC. Claimants should also be asked to seek independent financial advice.

YOUTH LOCAL ACTION GROUP (YLAG)

The YLAG supported:

a) YLAG Fund

The YLAG advertised its own fund for projects aimed at young people in the Outer Hebrides which supported at least one of their priorities for 2023-24: Equity with the mainland; Dùthchas & Dualchas; Economic autonomy; Mental health; and Acquiring skills. Ten applications were received, six of which were successful in being awarded almost £9,000.

b) YLAG Film & Professional Development project (inc. contributing to a national YLAG Film)

The Youth LAG were keen to fund a young local artist to develop their skills and portfolio. To achieve this and - due to collaborating with other YLAGs to produce a national film about YAGs - they developed the 'Youth LAG Film & Professional Development' project which sponsored a young film maker to develop their professional skills while also shooting footage for the national YLAG Film. The successful candidate was Ruairaidh Urpeth of Quay Digital Media - who used the time to develop his documentary film-making skills, as he had been specialising in commercial films previously.

c) Profile raising (Merchandise to help raise the YLAG's profile and strengthen its group identity)

The YLAG developed and purchased a range of promotional materials such as: flyers; pop-up banners; and a branded tablecloth. It also bought branded clothing to be worn when representing the YLAG and to establish a group identity when attending events.

d) Development & Capacity-building (Networking, lobbying and capacity-building)

YLAG members attended a number of events during 2023-24 to network, lobby and build their capacity and understanding. Among these were a Youth Climate Camp, the Scottish Rural and Islands Parliament and a ministerial debate in Holyrood. They had the opportunity to present their thoughts and demands to several high-ranking officials, in particular the Cabinet Secretary for Rural Affairs and Land Reform and the First Minister.

Efforts were also made to establish closer links with other relevant groups, such as YIN and local CLD staff.