

EXECUTIVE NOTE TO
THE LEADER GRANTS (SCOTLAND) AMENDMENT REGULATIONS 2012
SSI 2012/182

This note explains the need for the above SSI which was made in exercise of powers conferred by section 2(2) of the European Communities Act 1972. The instrument is subject to negative resolution procedure.

Policy Objectives

The purpose of the instrument is to amend The Leader Grants (Scotland) Regulations 2008 (the principal Regulations) which came into force on 22 March 2008.

Background

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

The arrangements for payment by delegated bodies and compliance with the principal Regulations and relevant EU requirements, including audit requirements, are set out in a Service Level Agreement (SLA) which has been concluded between the Scottish Government and all 20 Lead Partners delivering Leader Funding locally. This reflects the need to mitigate against the risk of disallowance of EU funding for any non-compliance with those requirements.

Main changes made by the Regulations

The changes being made put the SLA on a legislative footing and provide a clearer link between the SLA and the relevant legal requirements for LEADER as set out in the principal regulations and applicable EU rules. This is in response to feedback from several Audit bodies responsible for assessing compliance in particular with EU rules.

The provisions clarify the procedures that will be followed where the terms of the SLA are not followed and allow representations to be made by Lead partners in response to steps proposed by the Scottish Government. As a last resort, this may include termination of the SLA and the need for Local Action Groups to select a new Lead partner with whom the Scottish Government can conclude a new SLA. However, it is anticipated that constructive dialogue with Lead partners and Local Action Groups will, as at present, enable any issues to be satisfactorily resolved.

In addition, the instrument amends the principal Regulations to clarify that certain projects and costs will not be eligible for LEADER funding, for example, where the total costs are less than £1,000 or are not directly related to a project.

Financial Effects

There are no financial effects. The instrument clarifies the connection between the SLA and the principal regulations. All Lead Partners have an existing signed SLA agreement with the Scottish Government and those agreements will remain in place as well as the existing arrangements for reimbursement of LEADER funding in respect of decisions made by Local Action Groups.

Consultation

There has been no formal consultation as the amending instrument simply puts on a legislative footing the current arrangements which all Lead Partners and Local Action Groups have agreed to.

Directorate for Agriculture, Food and Rural Communities (DAFRC)