

MINUTES

Greensand Ridge LAG Steering Group

22 October 2009

9:45-11:30am

Community Room, The Old School, Cardington

Present: Joel Carré, Greensand Ridge Programme Director
Caron Kendall, Greensand Ridge Programme Manager
Richard James, Haynes Parish Council
Mark Smith, CVS
Jon Boswell, BRCC (Accountable Body)
David Morgan, Beds and Cambs Rural Support Group (Chairman)
Sara Hind, EEDA
Pam Blackmore, Central Beds Council (deputising for Helen Shore)
Gill Eden, Independent Appraiser
Kirstin Rayner, Gamlingay Parish Council (deputising for Leanne Bacon)
Bridget Smith, Gamlingay Forward!

| | | Actions |
|-----|--|---------|
| 1.1 | The Chairman welcomed everyone to the extraordinary LAG Steering Group meeting convened to consider the Working Woodland Centre (WWC) stage 3 (full business case) project appraisal report. | |
| 1.2 | The following apologies were received: <ul style="list-style-type: none">• Leanne Bacon, Gamlingay Parish Council• Helen Shore, Central Beds Council• Diane Budd, Business Link• Fiona Bryant, EEDA• Amanda Crack, RSPB | |
| 1.3 | Sara Hind explained that, as she had been involved with supporting the applicant with the project's development plans, she had a conflict of interest and so would refrain from expressing any views on the project and limit her contributions to supporting the Group with guidance on matters of process. | |
| 1.4 | Gill Eden apologised that due to time constraints, she hadn't been able to circulate the appraisal report any earlier. Gill explained that she received the full business case on 28 Sept | |

| | | |
|-----|--|------------|
| | and only worked 3 days per week. Sara Hind advised that EEDA allows a 10-14 day period to complete appraisal of an average sized project. | |
| 1.5 | Joel Carré explained that he would arrange a debrief session with Gill Eden to ensure lessons learnt were captured. | Joel Carré |
| 1.6 | The Chairman gave members 15 minutes to read through appraisal report. | |
| 1.7 | <p>The following points were made by members as a result of considering the appraisal report:</p> <ul style="list-style-type: none"> a) Two wood workers were reported as currently being based at Maulden Wood, but this had not been evidenced in the submitted business case. b) Insufficient market research had been undertaken into the demand for woodland products. c) No baseline research evidence was provided on existing local woodland enterprises d) The Woodfuel East regional project was being funded by EEDA to address wood fuel market failure. e) The link between business outcomes (ie. jobs) and business incubation unit provision was unclear. f) Appx 20% of total floorspace is attributable to the applicant's office accommodation, but unclear what contribution application is making in capital/ revenue terms against this. g) The link between revenue support and achievement of outputs is unclear. h) Concerned that the applicant does not have full (appx 25% shortfall)match funding in place; and has not provided sensitivity analysis on this or the projected revenue shortfall. i) Concerned that timescale on spend may be unrealistic and unachievable; and that applicant has not provided sensitivity analysis for this and what the implications would be of any slippage. j) Also unclear who is responsible for under-writing | |

| | | |
|-----|---|--|
| | <p>financial risks, both capital and revenue</p> <ul style="list-style-type: none"> k) Sara Hind reported that the chances of EEDA agreeing for the applicant to carry over of any of the £600k IIC funding beyond March 2010 was 'slim to none'. l) The appraiser explained that she would have liked to have seen the IIC appraisal report of the project. m) The project demonstrates clear strategic fit and so should not be rejected outright. n) A key appraisal issue is the revenue support required to achieve the economic outputs; and how these outputs can be met if revenue income slips. o) Unclear how the applicant's volunteers can be used in the café, when it will be run on a concession basis. p) Need to see the terms of the incubation units. q) Given the level of RDPE funding sought under Basic Services Measure (321), need to be clear what the associated outputs are. r) Need to see copy of tenancy agreement with Central Bedfordshire Council and whether or not there is a 'break clause' to allow re-possession of building | |
| 1.7 | <p>Members resolved not to consider the applicant's supplementary revenue funding request, as the appraiser had had insufficient time to appraise it. In addition, members felt that as a matter of principle, applicants should only come back with a supplementary funding request where there was a clear case of unforeseen expenditure; or for a completely new project concept.</p> | |
| 1.8 | <p>Members resolved to approve the WWC project stage 3 submission subject to the following outstanding key issues being resolved:</p> <ul style="list-style-type: none"> 1) More detailed justification of how the proposed woodland business outcomes (jobs, etc targets) are derived; and any associated assumptions/ local market analysis. 2) Detailed breakdown and sensitivity analysis for capital/ revenue budget items, ie. what are implications if certain critical items are not achieved; who will be responsible | |

| | | |
|------|--|------------|
| | <p>for associated risks; and how will these be managed? If the applicant is the underwriting body, then would want to see evidence that it has the necessary resource base to cover these.</p> <p>3) Clarification of what outcomes/ outputs are dependent on the capital investment and what on the revenue investment, broken down between visitor centre and incubation units, if possible</p> <p>4) Confirmation of the outcomes/ outputs being delivered under Basic Services Measure (321), given proportion of funding being sought through this Measure</p> <p>5) Confirmation of the rental charge and underlying calculations being made by Central Bedfordshire Council</p> | |
| 1.9 | Joel Carré agreed to confirm this decision by email to the applicant; to complete the relevant section of the appraisal form appendices; and to convene a meeting with the applicant and independent appraiser to gather the information relating to each of these issues. | Joel Carré |
| 1.10 | Gill Eden will appraise the information received and, once all issues have been resolved to her satisfaction, will write to David Morgan (LAG Steering Group Chairman) and Jon Boswell (Accountable Body representative), confirming this. | Gill Eden |
| 1.12 | <p>Once confirmation of this has been received, the Accountable Body will send a formal offer letter to the applicant including details of any necessary conditions such as:</p> <p>a) Trigger points for the submission of claims</p> <p>b) Specification of outputs to be delivered for the funding</p> <p>c) Arrangements for the underwriting of risk</p> | |
| | | |

Notes: Joel Carré