



Scottish Borders LEADER

Developing Enterprising Communities

LEADER ELIGIBILITY CRITERIA

There are several tiers of eligibility which projects are required to meet in order to satisfy LEADER criteria. Firstly the eligibility of the applicant needs to be considered. If the applicant is eligible the project concept then needs to fit with the Scottish Borders LEADER Local Development Strategy (see Information sheet on **LEADER Principles**). Finally the eligibility of the project costs need to be assessed. It is important that all project costs claimed from LEADER meet the eligibility criteria which are set by EU regulations and Scottish Government guidance.

Who is eligible to apply?

The Local Action Group is keen that the LEADER Programme is as accessible as possible to organisations, businesses, community groups and the wider public.

Applications for financial assistance will be accepted from:

- individuals (including self-employed)
- community and voluntary organisations (constituted bodies such as Development Trusts)
- micro enterprises (including social enterprises, charities, Community Interest Companies)*
- public bodies
- Local Action Group members

**A micro enterprise is defined as an entity that employs less than 10 people whose annual turnover / annual balance sheet total does not exceed EUR 2M (£1.5M).*

LEADER funding may benefit businesses through collaborative action that supports groups of micro-businesses. Individual businesses are eligible to apply to the LEADER Programme via the **Rural Enterprise Fund** which supports small/micro farm business diversification or non-agricultural rural enterprises.

Although not previously supported, projects in Hawick and Galashiels are now eligible for LEADER funding in the 2014 - 2020 programme however projects in these towns must demonstrate significant benefits for the surrounding rural areas.

If you already have public funding

If you have received funding from other European Union programmes or other public sources, you must declare it when you apply. You must explain what the funding was used for and whether or not it has been awarded under agricultural or industrial 'de-minimis' aid. If your organisation has received aid under de-minimis, it may limit the amount of grant that can be offered.

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Is the project eligible?

To be eligible project activities should:

- Fit within the strategic aim and development themes of the Scottish Borders Local Development Strategy. The strategic aim of the programme is **Enterprising Communities**. The types of activities eligible for funding under the four development themes can be found on the **LEADER Principles Information Sheet**.
- Projects should be new and innovative. This could include introducing a pilot project which tests a brand new concept or sharing best practice by launching a new development opportunity to the Scottish Borders which has been tested in other areas.
- Projects should be sustainable and revenue generating, creating positive outcomes such as employment or youth employment, skills or training to increase employment opportunities, as well as taking into account and providing prospects for equality.
- Benefit the LEADER target groups i.e. women, young people, unemployed (under/over 25), underemployed, people with disabilities, small/micro businesses and social enterprises.

Are the project costs eligible?

LEADER funds a variety of rural development projects and associated costs however there are regulations and guidance on which project costs are eligible to be claimed.

Building and infrastructure development projects:

The following costs are considered eligible for claims:

- Purchase of capital assets, land or buildings
- Construction of new buildings/facilities
- Improvement to/expansion of existing buildings/facilities.
- Purchasing equipment, fixtures and fittings linked to the eligible project activity.
- Improving land e.g. landscaping works, playgrounds, etc.
- Altering, refurbishing or extending a building you already own or lease
- Constructing a new building or facility.

Please note:

- Applicants applying for a capital grant for projects involving land and buildings must have security of tenure (heritable or leasehold) of the land and buildings where the project will take place.
- If the applicant moves within three years from the date of the final payment, we may ask the applicant to repay the whole amount of grant with interest.
- Tenants must obtain the owner/landlord's permission for any intended improvement works.

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- Projects must have the appropriate type and level of professional support from e.g. quantity surveyors, architects and/or project managers.
- Applicants may not sell, transfer or lease or otherwise dispose of land and buildings bought, built, extended, refurbished, altered and/or improved with LEADER funding without the approval of the LAG.
- Insurance – you must tell us what capital assets will not be covered by insurance and guarantee in writing that these assets will be replaced if lost, damaged or stolen.

Projects Involving Staff:

The following costs will be applicable for LEADER funding:

- **Direct staff costs** for full/part-time, existing or new staff. All staff costs should be included gross i.e. inclusive of NIC, pension, etc. Job descriptions, hourly rates spent on the project, detailed record of hours not spent on the project, details of proposed plan for sourcing staff should be provided.
- **Recruitment of new staff costs** for vacancy advertising, interview travel costs, panel member expenses. Evidence must be provided i.e. copy of job advert, where advertised, short listing and interview process, details of candidate selected.
- **Existing staff costs** – if an existing staff member is to fill the new project post this must be explained in the application form. The LAG will review the evidence to ensure all new posts go through an open and transparent recruitment process, that the existing job is finishing and the person has the relevant skills for the post and is the most suitable candidate. If the existing staff member is to be employed on only a partial basis on the project, details of this must be supplied.
- **Claiming staff costs** – the job description and contract must be supplied for the first claim only; timesheets of staff who do not spend all time on the project must be provided; copy of the payslip(s); payroll showing full staff cost; BACs record of payroll payments if through BACs; BACs record of employer payments to HMRC if through BACs; bank statements showing payroll payment and employer contributions to HMRC leaving the bank account.
N.B. staff costs cannot be claimed for completion of the LEADER application form but can be claimed for subsequent administration of the grant, including the preparation of claims.
- **Staff travel costs** can be claimed. These must be directly related to the project, must be standard/economy class and supported by original receipts. Allowance rates are: Motor Cycle - £0.24/mile; Motor car - £0.45/mile; Pedal Cycle £0.20/mile. Evidence must be provided in the form of log sheets showing the mileage, vehicle type, vehicle registration, purpose of journey, signed by staff member, approved by their line manager, payment of the claim from the organisational bank account).
- **Staff subsistence costs** for accommodation and subsistence costs can be claimed where staff require to spend time away from their place of work up to a maximum rate of: Bed and Breakfast - £75/night; Meals allowance over 24 hour period - £23.50; Day subsistence over 5 hours - £4.90; Day subsistence over 10 hours - £10.70. These costs must be evidenced by original receipts; staff claim form giving the amount/reason for claim, signed



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by staff member and their line manager approving the claim; proof of payment by the organisation to the staff member of the claim.

N.B. where a project chooses to pay for subsistence at a higher rate, LEADER will only pay up to the maximum amount.

- **Consultancy fees and contractors' charges** for work undertaken by a consultant or sub-contractor (including staff supplied through temp agencies) are eligible. You will be asked to justify their use and cost effectiveness in the project application.
- **Project evaluation fees** – costs of independent evaluations will be eligible if the work is essential to the project and/or a condition of the Grant Agreement.
- **Premises costs** for rent, rates, heat, light, telephone and internet charges, cleaning and service charges associated with the premises can be claimed. You must demonstrate that these relate directly to the project and are over and above existing operating costs.
- **Insurance** costs for insurance of buildings, contents, public liability and professional indemnity are eligible provided it can be clearly demonstrated that these directly relate to the delivery of the project and are additional to existing organisational costs.
- **Marketing** costs for marketing specific to the project are eligible e.g. design and production of marketing materials, development and delivery of events and campaigns. All marketing literature must contain acknowledgement of LEADER funding included in your award pack. Examples should be kept for audit purposes and samples provided as evidence when costs are claimed. Publicity requirements can be found on the **LEADER Publicity Principles** Information Sheet.
- **Other eligible costs** include software, stationery, teaching materials, postage, photocopying consumables and other costs where it can be demonstrated they relate directly to the project delivery and included in the application form.
- **Leasing** – leasing is an eligible cost as long as the costs have been included in the application form and do not exceed the original value of the item.
- **Participant and volunteer costs** – volunteer expenses such as travel, subsistence and protective equipment where necessary are eligible for grant claims but volunteer time (in kind costs) cannot be claimed. Volunteer expenses must be detailed in the application form.
- **Non-recoverable VAT** – VAT charged on buying goods, services or transactions that you are not able to reclaim from HMRC is eligible. Particular advice on VAT for people with disabilities, Charities, Buildings and construction, charity funded equipment for medical, veterinary, etc. uses are available from HMRC.

N.B. You should seek guidance and obtain written confirmation of the VAT position in relation to your proposed project. Unexpected VAT bills can add significantly to the total project cost. A statement from HMRC/your Accountant is required as evidence of FAT status.

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