



# Scottish Borders LEADER

Developing Enterprising Communities

## RURAL ENTERPRISE FUND

The Rural Enterprise Fund is the strand of the LEADER 2014-2020 Programme that offers grants to rural businesses and farms looking to diversify their activities. £800,000 is available for these projects, £400,000 for rural business and £400,000 for farm diversification.

In November 2015 the Local Action Group (LAG) decided on the following limits for the Rural Enterprise Fund:

- Minimum Grant £5,000
- Maximum Grant 70,000 Euros or £50,000 whichever is the smaller
- Up to 50% of funding can come from LEADER
- The other 50% of funding cannot come from any Public Sector sources (e.g. like the Council, Scottish Government, European funds etc.) but can come from private or bank funding.

## What is a Rural Business?

A Rural Business is defined for Scottish Borders LEADER purposes as a Borders business whose customer base includes rural inhabitants or a business that seeks to offer its services to rural areas. Galashiels and Hawick are the only two areas in the Borders classified as urban. Businesses from these communities may apply to LEADER but should be prepared to demonstrate how their business services the rural hinterlands.

The structure of the business can take many forms e.g. self-employed individual(s), partnership, family business, social enterprise, community group, etc.

## What is Farm Diversification?

A farm is defined as an agricultural business registered with the Rural Payments Directorate (RPID). Diversification is a means of branching out into any non-agricultural economic activity to support the farm business further. Farm diversification funding could therefore potentially be offered for setting up a tourist related business or a food and drinks retail business supplied by a farm but could not be used for a new crop or new purely agricultural activity.

## What is an eligible project?

The projects must also as far as possible:

- fit with the themes and ethos of the Scottish Borders Local Development Strategy by contributing to **developing enterprising communities**
- be **innovative** i.e. a new project or product including introducing a pilot project which tests a brand new concept or sharing best practice by launching a new development opportunity

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to the Scottish Borders which has been tested in other areas

- relate to the key rural sectors of Tourism, Food and Drink, Creative Industries and Renewables.
- benefit the LEADER target groups by focussing on developing people through job creation, community capacity and leadership development, supporting employability and youth employment, skills development and training opportunities.
- focus on areas of rural deprivation.

For further details on eligibility please refer to the Information Sheet on **LEADER Eligibility Criteria**.

## Alternate Funding

Before applying to LEADER for rural business or farm diversification funding, consideration should be given to other funding sources like the Scottish Rural Development Programme (SRDP) in particular. Full details of this can be found [here](#) on the Scottish Government website.

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