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<tr>
<td>04/01/2017</td>
<td>Vicky Dunlop</td>
<td>Updated to include Co-operation</td>
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### Section Amendment

- **5.2** Co-operation added
- **Appendix B** Glossary – remove CDM Co-ordinator
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1. **Background**

LEADER is an approach that supports quality of life and economic prosperity in rural areas through community led local development. Below sets out the thrust of the LEADER approach:

1.1 **Delivery structure**

The LEADER approach is an essential component of the Scottish Rural Development Programme (SRDP) implemented through Local Development Strategies by Local Action Groups (LAGs). LEADER Grants are awarded by the Local Action Group to projects that are aligned to the aims and objectives of the Local Development Strategy and operating within the scope of the SRDP.

1.2 **Local Development Strategy (LDS)**

You must familiarise yourself with the Local Development Strategy as you will have to demonstrate how your project will contribute to its aims.

1.3 **LEADER - The Approach**

Your Local Action Group are responsible for encouraging and facilitating action in the local area, through working with people to develop ideas and transform them into proposals that support the Local Development Strategy. These can then be brought forward to the Local Action Group for consideration and approval.

You should note that regardless of the support received prior to submission of an application, your application will still be subject to a rigorous assessment. This includes applications that have been inspired by the Local Action Group or that have been submitted by one of the group’s members.
2. The application process

A typical outline of the process for applying to LEADER is shown below. An Expression of Interest must be submitted in the first instance, guidance on completing an Expression of Interest can be found on the Scottish Rural Network website (www.ruralnetwork.scot/).
3. **Who can apply?**

Applications can be made by anyone who lives in a Local Action Group area and/or wishes to undertake an activity within the LAG area. This can include:

- Individuals, including those who are self employed
- Community and voluntary organisations (constituted bodies such as Development Trusts)
- Micro and small **enterprises** (including social enterprises, charities, Community interest companies)
- Public bodies
- Local Action Group members

You can find out which Local Action Group area you are in on the Scottish Rural Network website ([www.ruralnetwork.scot/funding/leader/local-action-groups](http://www.ruralnetwork.scot/funding/leader/local-action-groups)). Confirmation of the eligible area should be made with the relevant Local Action Group. You can apply for more than one grant from the Local Action Group, as long as they are for different projects.

**Enterprises:**

An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons, family businesses and partnerships or associations regularly engaged in an economic activity.

- A micro enterprise is defined as an enterprise which employs fewer than 10 persons and whose annual turnover and/or annual balance sheet total does not exceed EUR 2 million.
- A small enterprise is defined as an enterprise which employs fewer than 50 persons and whose annual turnover and/or annual balance sheet does not exceed EUR 10 million.

**Registration/Business Reference Number**

All applicants **must** be registered with Rural Payments and Inspection Division (RPID) who will issue a Business Reference number (BRN). Contact details for your local RPID office can be found at the links below along with further information about Rural Payments and applying for a BRN.

- [www.ruralpayments.org/publicsite/futures/topics/customer-services/contact/](http://www.ruralpayments.org/publicsite/futures/topics/customer-services/contact/)
- [www.ruralpayments.org/publicsite/futures/topics/your-business/business-registration/](http://www.ruralpayments.org/publicsite/futures/topics/your-business/business-registration/)

The Senior Applicant must be registered as a ‘Responsible Person’ or ‘Business Representative’ of that BRN. More than one Business Representative can be registered and a ‘name change request’ should be submitted to RPID to update the responsible person details.

**If you already have public funding**

You must confirm whether your organisation has received any form of European or public funding in the last three years and whether you have any current outstanding applications for funding. You must also confirm (where applicable) if the funding was awarded under state aid or ‘de minimis’ aid. You will need to explain in detail what this funding was used for and whether or not it has been awarded under either 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.
4. Before you apply

Before you make an application, you should submit an Expression of Interest to your Local Action Group. This lets the group consider the eligibility of your project concept and idea to check the proposal is in line with the Local Development Strategy(ies) you are applying under. If you haven’t completed an Expression of Interest, you should do so before you apply. Expression of Interest forms for LEADER are submitted through the Scottish Rural Network website.

- **Fit with the Local Development Strategy (LDS)**
  Your application must set out how the proposal contributes to the priorities of the Local Development Strategy. Elaboration of this will be critical to Local Action Group assessment.

- **Suitability for LEADER funding**
  Think carefully about whether your idea is more appropriate for other Scottish Rural Development Programme (SRDP) funding schemes such as Broadband; Agri-Environment Climate Scheme; Food Processing, Marketing and Co-operation Scheme; or the Knowledge Transfer and Innovation Fund. Detailed guidance on other SRDP schemes can be found on the Rural Payments and Services website ([www.ruralpayments.org/publicsite/futures/topics/all-schemes/](http://www.ruralpayments.org/publicsite/futures/topics/all-schemes/)). If you are unsure then please contact your local LEADER Team.

- **Rejections**
  Please be aware that if an application for the same project has been **formally rejected** by the relevant decision making committee/group of another SRDP scheme in the same programme period (i.e. 2014-2020) you will not be able to apply for LEADER funding.

- **Other funding programmes**
  You should also consider how your proposal fits with other wider funding programmes, such as European Rural Development Fund (ERDF) and European Social Fund (ESF). For example, LEADER may be better suited to supporting projects that focus on aspects of employability, skills or business growth pipelines that are not already funded under ESF or ERDF. Further information on ERDF and ESF funded actions can be found on the Scottish Government website ([www.gov.scot/Topics/Business-Industry/support/17404/EuropeanStructuralFunds](http://www.gov.scot/Topics/Business-Industry/support/17404/EuropeanStructuralFunds)).

- **Control of the asset**
  It is important to note for non-capital projects (capital projects are mentioned later in the guidance) that you must have control of the asset. If your application to LEADER is successful you should note that you must continue to have control of the asset for a period of 5 years after any final claim is paid. Written confirmation is required as part of the overall application process e.g. if you have rented premises you must provide evidence of your long term lease from the landlord/owner of the property. Details will be contained under the terms and conditions section in the ‘Offer of Grant’ letter.

- **Bank statements**
  Applicants are required to submit their most recent bank statements covering a continual 3 month period to demonstrate the “evidence of need” (Additionality) for LEADER funding. The bank account should be in the name of the business registered with RPID. This is the bank account for project costs and from which defrayal can be demonstrated.
Bank statements will also be used to evidence match funding where the applicant is using their own resources. This should be supported by a covering letter confirming that they will use these resources specifically as match funding for the project. Where a local authority is the applicant a letter from the financial director/head of finance, confirming the need for funding and where relevant, match funding will suffice. All letters must be on headed paper, signed and dated.

- **Invoices**
Invoices should be certified as correct by the Senior Applicant before loading them onto the LARCS system. The original copies of the invoices should then be forwarded to your Local LEADER Team who will stamp them “LEADER Funded” and return them to you once payment is made. You must keep originals of all invoices.

- **Income generation**
In certain circumstances, income generated by a project either during implementation or after completion, may need to be deducted from the funding sought. Your local LEADER Team will be able to advise you.

**4.1 Inspections**

There are three types of inspections applicable under the LEADER Scheme. The inspections will involve the full assessment of the project from the application stage right through to the payment of claims. A visit to the project will also take place.

- **In Situ**
Every project will be subject to an ‘In Situ’ Inspection by a member of the Local LAG team before its completion. A project will not be able to proceed to payment of the final claim until such time as an ‘In Situ’ inspection has been carried out.

- **On the Spot**
Not every project will be subject to an On the Spot Inspection. Inspections will be carried out on selected projects after the final claim has been paid by the local LAG administrative team. These inspections will be carried out by a member of the LEADER Team at the Scottish Government. Should your project be selected for an On the Spot Inspection you will be notified in advance.

- **Ex Post**
An Ex Post Inspection can take place at any point within a five year period after the payment of the final claim. As above these inspections will be carried out by a member of the LEADER Team at the Scottish Government. Should your project be selected for an Ex Post Inspection you will be notified in advance.

- **Keeping records and documents**
All original invoices, accounts and other relevant documents in relation to the project must be retained and produced on request. Sight of all documentation will be required for all of the above inspections. For the purchase of heritable property records must be kept for a period of 10 years for all other projects for period of five years after the last payment has been made.
5. **Project Application Types**

There are two types of application, standard and co-operation. The application process is the same and all guidance applies equally to the different project types and sub-types

### 5.1 Standard application

#### 5.1.1 Community

Community led to increase support to local rural community and business networks to build knowledge and skills, encourage innovation and cooperation in order to tackle local development objectives.

#### 5.1.2 Enterprise

An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons and family businesses and partnerships or associations regularly engaged in an economic activity.

#### 5.1.3 Farm Diversification

Support for on-farm diversification into non-agricultural produce and also to non-farm based rural enterprises

### 5.2 Cooperation application

Co-operation has a non-capital focus to encourage innovation, feasibility studies and collaboration. Applications for co-operation projects are submitted in the same way as other LEADER project applications.

Co-operation is an essential element of the LEADER approach. It is concerned with adding scale to projects and building social cohesion between people in different areas and unifying them around a common purpose. In the past, actions have tended to focus on capacity building/knowledge exchange, joint working with a spatial and/or thematic focus. As with other project types any co-operation actions are considered eligible if they fit with the Local Development Strategy. Further information, examples of past co-operation projects and support can be found here:

[www.ruralnetwork.scot/cooperation/what-cooperation](http://www.ruralnetwork.scot/cooperation/what-cooperation)

Prior to submitting any application you must submit an Expression of Interest (EoI) via the Scottish Rural Network website and in doing so identify all the LAG areas that you think your proposal will cover. Submitting an EoI will allow your LAG or other LAGs to check that the proposal is in line with the Local Development Strategy(ies). Submitting an EoI will also allow the Scottish Rural Network Support Unit to contact you and, where appropriate, work with you on developing your idea and finding potential partners (particularly in other parts of the UK & EU).

LAGs can award up to 100% intervention rate for co-operation projects (subject to state aid assessment). LAGs may wish to propose an aid intensity for this type of project based on the strategic role that cooperation projects play (within the limits of the aid intensity rates provided by the legal framework). When fixing the aid intensity, LAGs may take into account such criteria as; collective interest, collective beneficiary, public access to the results of the operation, potentially innovative features of the project at the local level, and the budget available.
5.2.1 Preparatory support
If your proposal is in line with the Local Development Strategy(ies) then you may wish to access support to allow you to develop your co-operation ideas. You can apply to your LAG for support for application development, engagement within local stakeholders and potential co-operation partners, covering a range of costs, including:

- venue/equipment hire
- catering
- travel
- publicity
- accommodation
- subsistence
- translation/interpreters’ fees
- participation
- feasibility studies

Receiving preparatory support does not imply an obligation to carry out the project (for example if it proves not to be viable) and therefore the recipient of the preparatory support will not have to repay funding.

The intervention rate for preparatory support will be 100%, subject to a State Aid Assessment, up to a maximum of £5,000 per applicant. Reasonableness of costs must be demonstrated for all applications please see section 13 – Demonstrating Project Costs.

5.2.2 Transnational Co-operation
Projects between territories in several Member States and/or with territories in third countries i.e. outside the EU.

5.2.3 Inter-territorial Co-operation: Scotland
Projects involving Scottish LAGs only.

5.2.4 Inter-territorial Co-operation: UK
Projects involving LAGs in England, Wales and/or Northern Ireland.

6. Ineligible Costs
Below are examples of costs which can’t be claimed from LEADER. This is a non-exhaustive list, if you are unsure about these please contact your local LEADER team.

6.1 Activities, Legal Expenses, Financial and Other Charges
- delivery of courses which form part of a primary or secondary school or college, or university education programme e.g. HNCs, HNDs, Nationals, Degree etc.
- contingencies, miscellaneous or sundries
- building repairs
- accounting costs, preparation etc. of annual accounts, year-end auditing unless a condition of the grant agreement
- bank charges on accounts
- costs of guarantees provided by a bank or other financial institution
- financial charges – e.g. charges for paying by credit card NOT standard booking fees
• debit interest, charges for financial transactions, foreign exchange commissions and losses, and other purely financial expenses
• loan charges – the nature and amounts of any loan charges included in the overall project costs should be brought to the attention of the Scottish Government
• service charges – arising on leases and hire purchase arrangements
• costs resulting from the deferral of payments to creditors
• costs involved in winding up a company or organisation
• bad debts, fines, financial penalties and expenses of litigation
• in kind costs cannot be claimed or paid (they are shown to help assess commitment to the project)
• expenditure invoiced or defrayed out with the eligible project period. (The period before the signed Offer of Grant Letter has been received back into the local LAG office)
• expenditure committed to or incurred before the eligible expenditure date, see above.
• contained in the offer of grant letter (e.g. contracts signed, purchase orders raised, payments made, invoices or other commitment by the applicant to pay for something whether goods, works or services)
• payments not supported by invoices and/or documents proving expenditure
• recoverable VAT
• improvements to buildings as a requirement of changes to legislation e.g. Disability Discrimination Act
• any actions already being funded by European Structural Funds under other Programmes or European Union-funded initiatives
• alcohol
• hire purchase, extended credit agreements and finance leases for capital purchases

Some of these costs may be eligible if they are directly linked to the operation and are necessary for its preparation or implementation or, in the case of accounting or audit costs, if they relate to requirements by SG and must be agreed with SG prior to being claimed.

6.2 Staff Costs (section 9 sets out which staff costs are eligible)
• statutory maternity, paternity, adoption pay
• payments for unfunded pensions
• redundancy payments
• bonus or commission payments

7. What Level of Support can my Project Receive
You can receive up to 100 per cent of your eligible costs. Please note that the aid approved by the Local Action Group for your application may be lower. Your local LEADER team will be able to advise.

Please also note that State Aid rules may apply and this may limit how much you can claim, depending on what other public funding you have received.

To find out more about state aid, visit www.gov.uk/state-aid

8. Building and Infrastructure Development projects
This section relates to:
• Purchase of Capital Assets
• Construction of new buildings/facilities
• Improvement to/expansion of existing buildings/facilities
LEADER can support the following capital type investment:

- Purchasing equipment, fixtures and fittings linked to the eligible project activity
- Improving land, for example landscaping works, playgrounds etc.
- Altering, refurbishing or extending a building you already own or lease.
- Constructing a new building or facility

Note: Building Repairs are not eligible for LEADER funding

8.1 Issues to consider before making an application

Security of tenure

Applicants applying for capital grant for a project must have security of tenure (heritable or leasehold) of the land and buildings where the capital project will take place.

Both landlords and tenants must keep capital works in place for five years following the final claim payment. e.g. if a building is to be constructed and the project takes one year to complete and claim, then the five years commences after the final claim is paid, making a total of six years commitment.

Tenants must obtain the owner / landlord’s permission for any intended improvement works.

Professional Fees

Projects must make sure that they have the appropriate type/level of professional support, e.g. quantity surveyors, architects, project managers.

Support for fees relating to design (architects, engineers, consultants etc.), planning permissions/building warrants etc. are restricted to a maximum of 20% of the overall project costs.

Where the project does not include any capital costs then support for any professional fees may be funded to a maximum of 100%.

Terms and conditions

All Offers of Grant will be subject to standard terms and conditions. Where you are successful these will be laid out in your Offer of Grant letter. Some projects will attract additional terms and conditions.

Examples of some of the terms and conditions:

- Applicants may not sell, transfer, lease or otherwise dispose of land and buildings built, extended, refurbished, altered and/or improved in part or in whole within 5 years of the final LEADER claim being paid without the prior written consent of the LEADER LAG

- Applicants may not change the purpose for which the capital assets are being used without the prior written consent of the LAG for a period of 5 years after the final LEADER claim has been paid.

- The applicant will be responsible for the condition and use of the land and/or buildings for five years commencing from the start of the year after the date of the payment of the final claim.
Second hand equipment

The purchase of second hand equipment is allowed under the following conditions:

- the seller of the equipment must provide a declaration stating its origin, and confirm that at no point during the previous seven years has it been purchased with the aid of national or European grants
- the price of the equipment must not exceed its market value and must be less than the cost of similar new equipment

The equipment must have the technical characteristics necessary for the operation and comply with applicable norms and standards.

Insurance

- You must tell us which capital assets will not be covered by insurance and guarantee in writing that all such assets will be replaced for their original purpose if lost, damaged or stolen.

Appendix A provides practical information on how to manage a capital project as well as a glossary of terms.

9. Projects Involving Staffing & Premises

For all staff costs, you must be able to demonstrate that the pay and grading of the post has been determined appropriately. For example, benchmarking against similar posts within the organisation or more widely for the type of job concerned.

9.1 Direct Staff Costs

Staff costs are eligible to be paid through the project, whether full or part-time. Staff may be either existing organisational staff who are administering/supervising the project or taking on a specific role in the project or new staff recruited specifically for the project. All staff costs should be included gross (i.e. inclusive of National Insurance Contribution, pension, etc.)

For staff costs the following documents and information must be submitted at the application stage:

- a job description for each role included in the project budget. The job description(s) must clearly describe the responsibilities of the post and the time contribution to the project
- an hourly rate calculation based on gross costs and contracted hours where staff will not spend 100 per cent of their contracted hours on the project
- proposed templates for capturing and accounting for the activities of any staff not spending 100 per cent of their contracted hours on the project
- details of proposed framework for sourcing staff

9.2 Recruiting new staff

Recruitment must be carried out in a fair, open and transparent way. Recruitment costs are only eligible during the approved project period. Costs may include advertising for the vacancy, interview travel costs, panel member expenses or other reasonable and appropriate costs as detailed in the travel and subsistence section.
For new recruitments, the following evidence must be provided:

- copy of the advertisement and details of where the post was advertised
- summary of the short listing process
- summary of the interview process
- details of selected candidate

### 9.3 Existing staff new post

If it is a new post which you wish to fill with the reappointment of an existing staff member in line with national employment legislation, this must be explained in the funding application form. Where you have an existing policy regarding reappointment/redeployment of staff, this should be provided as part of the explanation.

The Local Action Group will review the justification provided on a case by case basis with the preference being for all new posts to go through a fair, open and transparent recruitment process.

Where an existing member of staff is transferred to a new post the employing agency must provide:

- evidence that their existing post is ending and that the post will not be backfilled.
- evidence that the person has the relevant skills for the post and is the most suitable applicant if more than one internal applicant is eligible
- details of the selected candidate, including their contract of employment.

### 9.4 Existing staff partial project hours

Where an existing staff member will deliver project specific activities for part of their contracted hours through either increased working hours or a change in job description the employing agency must provide:

- evidence that the staff members role has changed when they started working on the project through the provision of old and new job descriptions
- evidence that the person has the relevant skills for the project requirements and is the most suitable person if more than one staff member could fulfil the function
- details of the selected candidate, including their contract of employment.

### 9.5 Claiming staff costs

Staff costs must be evidenced in financial claims with:

- a copy of the job description(s) signed by the staff member(s) (first claim only)
- a copy of the employment contract(s) (first claim only)
- timesheets for staff who do not spend 100 per cent of their contracted hours on the project. The timesheet must clearly show the hours worked and duties performed on the project and must be signed by the staff member and by another person who can verify the timesheet (normally a line manager).
- copy of the payslip(s) for the staff member(s)
- copy of the payroll showing full staff cost (payroll print out must show any statutory leave payments made during the period)
- BACKS record of payroll payments if payments are made through BACS
- BACS record of employer payments to HMRC if payments are made through BACS
- bank statements showing the payroll payment and the payment of employer contributions to HMRC leaving the organisation’s bank account

Note: Staff costs cannot be claimed for the preparation of a LEADER application or claims.
9.6 Staff Travel and Subsistence

Staff Travel
Staff travel costs must be directly related to the project. All actual costs incurred must be standard/economy class with all claims supported by original receipts.

Mileage rates can be claimed up to the following maximums:

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<th>Expense Type</th>
<th>Rate</th>
<th>Unit</th>
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<tr>
<td>Motor Cycle Allowance</td>
<td>£0.24</td>
<td>Per Mile</td>
</tr>
<tr>
<td>Motor Mileage Rate</td>
<td>£0.45</td>
<td>Per Mile</td>
</tr>
<tr>
<td>Pedal Cycle Allowance</td>
<td>£0.20</td>
<td>Per Mile</td>
</tr>
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</table>

Where an organisation pays at a higher rate, LEADER will only pay up to the maximum shown above. Any claim for costs based on mileage must be evidenced by:

- a log sheet detailing miles, vehicle type, vehicle registration, purpose of journey directly linked to the LEADER project;
- the log sheet must be signed by the staff member and approved by their line manager verifying the validity of the claim;
- payment details as per organisational procedures (payment of the claim from the organisational bank account).

Staff Subsistence
Subsistence and accommodation costs can be claimed where staff are required to spend time away from their contracted place of work and where there is an organisational policy in place to support this.

Subsistence can be included up to a maximum rate of:

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Rate</th>
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<tbody>
<tr>
<td>Bed and Breakfast up to a maximum</td>
<td>£75 / night</td>
</tr>
<tr>
<td>Meals Allowance covering a 24 hour period, or;</td>
<td>£23.50</td>
</tr>
<tr>
<td>day subsistence over 5 hours (less than 10 hours), or;</td>
<td>£4.90</td>
</tr>
<tr>
<td>day subsistence over 10 hours (no overnight stay).</td>
<td>£10.70</td>
</tr>
</tbody>
</table>

All Subsistence and accommodation costs must be evidenced by:

- original receipts
- a staff claims form detailing the amount and reason for the claim. The form must be signed by the staff member and their line manager validating the expenses
- evidence of payment by the organisation to the staff member of the claim

Where an organisation chooses to pay for subsistence at a higher rate, LEADER will only pay up to the maximum above.

Consultancy Fees and Contractors’ Charges
Costs 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 reasonableness of cost as part of the project application. See Professional Fees within Section 8.

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.
9.7 Premises Costs
This should include actual cost of rent, rates, heat, light, telephone and internet charges, cleaning and service charges associated with the premises. You must clearly demonstrate that these are directly related to the delivery of the project and are additional to existing operating costs. For example, if you have to rent additional premises. In circumstances where the organisation has internal 'charging' arrangements for staff in place, then these are considered to be eligible where they can be evidenced. For example, annual fees per head for the use of all services.

9.8 Insurance
Insurance of buildings, contents and public liability 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. Professional indemnity is also eligible provided it is essential to the delivery of the project and additional to standard provision that organisations or/individuals could be expected to hold. In circumstances where the organisation has in place internal 'charging' arrangements for staff then these are considered to be eligible where they can be evidenced. For example, annual fees per head for the use of all services.

9.9 Publicity
This may include costs related to appropriate and proportionate aspects of marketing specific to the project on, for example, design and production of publicity materials, development and delivery of events and campaigns.

To be considered eligible, any items of publicity claimed must contain the appropriate acknowledgment of LEADER funding which will be included in your award pack. Examples should be kept for audit purposes and samples of photographic evidence submitted when the costs are claimed.

9.10 Other Project Costs
This may include software, stationery, teaching materials, postage, photocopying consumables and other costs where it can be clearly demonstrated that costs are reasonable and directly relate to the delivery of the project. All project costs must be accurate and included in the application form.

9.11 Leasing
Leasing is eligible for support. Details and justification for this approach must be included in the application form and will be considered on an individual project basis. Leasing costs should not exceed the original value of the item.

9.12 Volunteer Costs
A volunteer is someone directly involved in the delivery of the project who gives of their time and skills freely and not for personal financial gain. LEADER funding can be used to support volunteer expenses appropriate to the delivery of the project outcomes. Volunteer time (in kind costs) cannot be claimed or paid, see Section 6 and 10.5.

Eligible costs could include:
- travel and subsistence as per staff members
- personal protective equipment required for the safe conduct of activities.

Volunteer expenses must be detailed in the funding application form and will be considered on a case by case basis by the Local Action Group. Where appropriate equipment should be retained by the organisation and not provided to individuals.
9.13 Non-recoverable VAT

VAT charged on buying goods, services or transactions that you are not able to reclaim from the HM Revenue and Customs is eligible. The following guidance is available from HM Revenue and Customs:

- VAT Notice 701/7 (August 2002): VAT relief for people with disabilities
- VAT Notice 701/58 (March 2002): Charities leaflet
- VAT Notice 708/6 February 2008: Buildings and construction
- VAT Notice 701/6 (March 1997, supplement April 1997): Charity funded equipment for medical, veterinary etc. uses.

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 cost project.

10. Match Funding

Match funding is the amount of funding secured from other sources in order to deliver the project. There are two types of match funding:

- private match funding such as donations from trusts and personal donations
- public match funding such as Big Lottery, local or central government, public bodies

You are responsible for checking, confirming and declaring whether your match funding is public or private.

All match funding must be in the form of a direct cash contribution. The match funding must be secured and the appropriate evidence submitted to and accepted by the Local Action Group before a formal ‘Offer of Grant’ is issued.

If you are unable to confirm match funding at the point of application then you should include evidence of the status of the match funding with dates when it is expected to be confirmed.

The Local Action Group may consider projects where the match funding is not yet confirmed and issue a ‘decision in principle’, pending confirmation of the match funding. The decision in principle is not an offer of grant and will have an expiry date no longer than 60 days from the date of issue to ensure that LEADER funding for other eligible projects can be accessed. If the match funding is not secured before the expiry date, the application will be rejected, withdrawn or reverted to “rework” and you will be required to submit a new/updated application once the match funding has been confirmed with revised milestones etc. reflecting the delay.

The application will then be reconsidered by the Local Action Group.

Evidence required

Where the match funding is in the form of donations or grant agreements paid in advance of the project commencing, you must provide:

- copies of each match funding offer, donation confirmation or other evidence of receipt showing what the funds are for and demonstrating that the funds are specifically for (or not for) the LEADER project (see Ring Fencing below). Offers of match funding must be addressed to the applicant /business
- bank statements or other evidence (e.g. accountant letter) showing the receipt of the funds
When the match funding is paid in instalments either during or after project activities, the applicant must provide:

- copies of the match funding offer showing the total amount of the grant and the payment terms and demonstrating that the funds are specifically for (or not for) the LEADER project (see Ring Fencing below)
- bank statements showing receipt of the match funding as it is received

Where match funding is provided by you, the applicant, from your own sources, you must provide:

- a letter of commitment from the applicant referencing the project and stating the amount of funds that have been committed to the project
- organisational bank statement, overdraft commitment or other of equivalent probative value to demonstrate that the organisation has the promised funds
- income generated by the project cannot be used as match funding

10.1 Ring-fencing for funding of eligible and ineligible costs of the LEADER project

Match funding must be shown to be available for the eligible costs of the LEADER funded project and within the project timeframe. In some cases, the match funder will provide a grant where only some of the grant will be used to match fund the project, the remainder going to support ineligible project costs or activities out-with the project timeframe.

In these cases, the applicant should ensure that the match funder provides a breakdown of the funding allocated. This should show the amount allocated to the project and activities, against actions not being funded through LEADER.

The entire project costs must be included in the project plan submitted with the application showing the split between the eligible and ineligible costs.

10.2 Match funding and State Aid

The LAG will make an assessment on State Aid for each project. If the funding for the proposal is deemed to be State Aid, all public funding has to be cumulated and cannot exceed the State Aid intervention limit (where state aid is deemed to be present). For example, if the project has a State Aid intervention limit of 50 per cent then all public funding from the match funder or funders cannot exceed 50 per cent. The remaining 50 per cent must be private funding, private funding is not state aid.

10.3 Ineligible match funding

- European Funding of any kind cannot be used as match funding.
- In-kind (non-cash contributions) are ineligible as match funding.

10.4 Changes

Any change (either increase or decrease) in match funding after project approval must be approved by the Local Action Group through a change request process. If there is a requested change to the funding package the group will be required to review and approve or reject any resulting changes to the LEADER funding for the project. If the match funding is being reduced, you are required to inform the Local Action Group immediately due to the risk that the project may not be able to meet its objectives. If the match funding is being increased, then a further state aid assessment may be required to ensure the intervention rate is not being exceeded (where LEADER funding for a project has already been deemed to be state aid).
10.5 In kind

In kind contributions are valuable in demonstrating the added value of LEADER through the inclusion of a diverse range of individuals and communities in making the project a success. While in kind is an ineligible contribution to the LEADER project, it may be recorded as a milestone with no cost.

In kind provided towards a LEADER project whether it is provided by an individual, business, local community or any other person or body can have a notional value but no cash disbursement can be provided for this activity.

11. Project Design and Planning

Time spent on proper planning is critical to developing and delivering a successful project. The Local Action Group staff can be contacted at any stage in the process to provide support and guidance. Working through the project design process will provide you with the information that you need to complete the application process. This process will also help you decide if LEADER is an appropriate funding option for you to consider.

11.1 Develop a project plan

The project plan should include the purpose of the project, the activities, targets and resource needs. The information in the project plan will form the basis for the assessment and subsequent approval of the LEADER project. Where appropriate the delivery of activities should include the involvement of the community.

A shell template has been prepared – this includes the mandatory fields required to assess the LEADER project. This plan will be assessed along with the application form and any other information provided to determine the eligibility of the project by the Local Action Group.

12. Setting milestones

Designing the milestones for the project is a critical step and the Local Action Group staff can support you with this. Milestones are determined by the individual characteristics of the project. The minimum number of milestones is one.

The milestones will come from the project plan which should include all the tasks and the timeline required to deliver the project. The project should then be split down into clear and manageable stages which will become the milestones. The milestones must have measurable activities which can be reported against and evidence of their achievement provided.

Key things to consider when deciding the milestones are:

- **frequency** – not too many not too few. The achievement of milestones is directly linked to interim reporting and financial claims therefore the setting of milestones will closely link to cash flow forecasting.

- **evidence** – evidence must be submitted to the Local Action Group to demonstrate achievement of the milestone and this should be considered when setting the milestone. Examples of evidence include photos of goods purchased, completion of certificates of construction, samples of documents, feedback forms from event participants, reports completed etc. This links to project monitoring

- **appropriate** – the milestone should be appropriate for the project – don’t design activities just to have a milestone. Also, not every activity is a milestone. Set the milestones to support project delivery
To determine which milestones are right for the project, select those that will demonstrate that the project is on track and ensure regular reporting on the impact of the LEADER funding. You could choose to design your project milestones around a period of time which suits your management cycles. All milestone descriptions must be what the project expects to have achieved during any given time period. Each milestone must have a delivery date. This is the date, the achievement of which will be reported to the Local Action Group.

For each milestone there must be a budget forecast. If no expenditure will be incurred during delivery of the milestone then the budget forecast should be zero. Each project will have specific targets. Progress on the targets achieved in delivery of the milestone should be included in the interim report. The report should include unique data for that milestone and not cumulative data.

Some examples of milestones:
- workshops/events completed
- number of participants completing an activity
- completion of tender and selection of a supplier
- hiring of essential personnel
- printing of promotional material
- completion of community consultation

### 12.1 Changes to milestones

The purpose of milestones is to help track and review project progress. If you need to change milestones after the grant agreement is signed you must submit a change request form. All change requests must be submitted for approval before the original milestone delivery date. Failure to deliver a milestone on time may lead to suspension or withdrawal of project funding.

### 13. Demonstrating Project Costs

Your application should set out detailed costings and must be accompanied by supporting documentation. For organisations subject to the 2012 Scottish Public Procurement Regulations, such as Local Authorities, National Park Authorities, public sector procurement rules apply for the purchase of any goods and services funded under LEADER.

To check if your organisation is subject to public procurement rules contact Scottish Government procurement - SPOEprocurement@scotland.gsi.gov.uk

Details about the Public Sector Procurement in Scotland can be found on:
- [www.publiccontractsscotland.gov.uk/](http://www.publiccontractsscotland.gov.uk/)
- [www.gov.scot/Topics/Government/Procurement](http://www.gov.scot/Topics/Government/Procurement)

Other organisations will be required to establish how they consider the costs set out in their application to be reasonable. You must comply with any specific requirements set out by your LAG, or in the absence of any such requirements, you may wish to consider various approaches to help you do this:
- tendering/multiple quotes e.g. for consultancy work or capital investments.
- benchmarking – comparing costs e.g. for staff recruitment against other organisations or within the organisation
- single quotes – where an alternative is not an option or impractical – e.g. use of a local hall for an event.
- price comparisons e.g. for items with a particular specification
For tenders, the selection criteria should also be included in your application demonstrating:

- the weighting of tenders to show reasonableness of costs selected
- the successful tender has the relevant experience and expertise to carry out the work
- the financial security of the contractor appointed to carry out the work
- demonstrate genuine and effective competition for the tender

Whatever approach or approaches you adopt, you will be required to include all documentation and evidence that demonstrates how you have arrived at the costs and in doing so consider them to be reasonable. You may wish to utilise independent expertise to justify choices – e.g. Chartered Surveyors, HR. For multiple quotes or tendering exercises, you will be expected to provide full justification to the Local Action Group if you have not chosen the cheapest quotes or tenders.

Below sets down the types of evidence that should be provided:

**Price comparisons**
- the date when printed or copied;
- the item description and the price;
- the name of the company or catalogue; and
- the page number or webpage.

**Multiple Quotes or tenders must come from:**
- different suppliers that trade as standalone businesses and are not linked through shared ownership; and
- a business that’s independent from the applicant or their business.

**Multiple Quotes or tenders must include:**
- a detailed and itemised breakdown of costs;
- the supplier’s address, telephone number and a contact name;
- the VAT number (if the supplier is VAT registered and VAT is itemised on the quote);
- the supplier’s company registration number if they are a limited company).

**Multiple Quotes or tenders must be:**
- comparable to each other in terms of quality, size, quantity, units and specification;
- from the last six months and still valid; and
- made out to the same business address on the application form - online quotes should also be addressed to the business.

### 13.1 Financial accounts

You must send the Local Action Group copies of accounts for the business or organisation applying for the grant. Copies of all of the following must be sent:

- title and introduction pages
- profit and loss statements
- balance sheets
- any account notes pages
For applications for grants of less than £35,000, copies of financial accounts are needed for the last two years. For applications for grants over £35,000, copies are needed for the last three years.

New organisations (ones that don’t have accounts covering the preceding two or three years required) must send one of the following:
- draft accounts
- latest tax returns
- management accounts
- an opening statement from an accountant that includes expected income and operating expenses

14. Permissions, consents and licences
Submitted applications may include elements that require consents and permissions from the relevant authorities. They may also include actions that are required as a condition of approval. It is your responsibility to obtain any permissions pertaining to the project.
All documentation associated with any permissions and consents should be included with the application.

You will not be able to accept a funding offer without evidence of any required permissions or licences being provided to the Local Action Group.

15. Complaints

Complaints – can be made about the application process
A complaint is an expression of dissatisfaction with the standard of service, procedures, or processes at the application stage which you feel requires a response or explanation. You or your representative can complain in person, by phone, by email or in writing.

All complaints will be treated seriously and you will receive a full response.

15.1 Types of Complaint
There are three types of complaint under this scheme. You can complain:

1. against the general standard of service
2. the decision to reject your application
3. the decision to lower the percentage grant rate awarded to your successful application

Please note that your complaint should be submitted within 60 days of issue of your outcome letter.

1. Complaints against the general standards of service
All complaints will be treated seriously and you will receive a full response. Full details are available from your Local Action Group (LAG) LEADER Coordinator.

2. Complaints against the rejection/non-selection of a project
If your project has not been selected to receive funding from LEADER and you feel this is the wrong decision, you can submit a complaint in writing to your LEADER Coordinator / Programme Manager.

You must explain why you feel that the LEADER LAG has failed to properly apply the scheme rules or regulations; it is insufficient simply to disagree with the LAG’s scoring.
Your complaint will be reviewed by a member of the LAG or Accountable Body who has had no previous involvement in the original handling of your application.

They will independently review the information contained in your application, technical assessment/decision making processes and will decide whether to uphold or reject your complaint seeking legal advice where necessary. However, you should be aware that the reviewer may only take account of the evidence and information originally supplied by you (or your agent) along with your application.

If the reviewer does not uphold your complaint you will receive constructive feedback.

If your complaint is upheld then your application will be re-submitted to the LAG decision making group with the reviewer’s findings for further consideration.

If your application is still rejected you will receive constructive feedback. If your application is successful you (or your agent) will be informed of the revised position and an Offer of Grant will be made by the LEADER LAG.

3. Complaint against the percentage of the grant offer
If following approval of your application the percentage of grant awarded has been reduced you can make a complaint which will be reviewed as previously described.

15.2 Complaints process

- Stage one – frontline resolution
Frontline resolution aims to quickly resolve straightforward customer complaints that require little or no investigation. At this stage you should direct your complaint to the LEADER Coordinator/Programme Manager in charge of the LEADER staff you have been dealing with during the application process.

They will give you a decision at Stage 1 in five working days or less unless the complaint is particularly complex and you will be notified if that is the case.

If you are dissatisfied with the response you can ask for your complaint to be considered at stage two.

- Stage two – investigation
The local LEADER Team/Accountable Body will acknowledge receipt of your complaint within three working days. For stage two complaints as described above a reviewer who has had no previous involvement with your application will be appointed and you will be notified of the outcome of their review.

The local LEADER LAG/Accountable Body will aim to issue this to you or your agent as soon as possible but no later than 20 working days from the date of receipt of your complaint.

16. Appeals
If you have been granted funding through LEADER, you can appeal against decisions made regarding your claims, including refusal of payment, reduction or recovery of payments.

Contact your local LEADER Team.
APPENDIX A - Information on How to Manage a Capital Project

This section of the guidance notes gives you an overview of the key stages in planning and managing a capital project.

However, remember each project is different and the level of detail will vary depending on its size and complexity. We particularly recommend that you read this section if your previous experience of land and building projects has been limited.

There are generally five stages to a capital project.

1. Initial planning – setting up internal management and co-ordination.
2. Design - appointing a design team.
3. Procurement - appointing a building contractor.
4. Building – monitoring the works.
5. Completion – maintenance and monitoring use.

Initial planning

1. Decide how your project will be managed within your organisation.
2. Establish the need for the project.
3. Consult and involve key stakeholders.
4. Define the project outcomes and benefits.
5. Do an options appraisal.
6. Research possible sources of funds.
7. Decide on the best option for you.
8. Prepare the project brief.

Design

1. Talk to relevant regulatory bodies, such as the local authority planning department and HM Revenue and Customs.
2. Appoint building professionals.
3. Carry out a feasibility study.
4. Establish the design brief.
Access audit
A part of the process of designing a building or site, which considers how disabled people will be able to access the building or site. You can get publications and information about accessibility and audit from:

- **Employers’ Forum on Disability (a membership based organisation)**
  Nutmeg House
  60 Gainsford Street
  London SE1 2NY
  Telephone: 020 7403 3020
  Website: [http://wwwefd.org.uk](http://wwwefd.org.uk)

- **Centre for Accessible Environments**
  Holyer House
  20-21 Red Lion Court
  London EC4A 3EB
  Telephone: 020 7822 8232
  Email: info@cae.org.uk
  Website: [www.cae.org.uk](http://www.cae.org.uk)

- ** Equality and Human Rights Commission**
  Website: [http://www.equalityhumanrights.com](http://www.equalityhumanrights.com)

- **Equality and Human Rights Commission Scotland**
  Freepost Equality Advisory Support Service FPN4431
  Telephone: 0808 800 0082
  Monday to Friday 9:00 to 19.00, Saturday 10.00 to 14.00
  Email: Scotland@equalityhumanrights.com

Adverse entries
Anything appearing on the documents that prove the landowner’s title to the land which might affect the landowner’s ability to use all or part of the land for the grant purposes or which might limit the use of certain parts of the land for a specific purpose or which might have an adverse impact on the value of the land.

Agreement for or to lease
Before the tenant takes a lease (confirming his leasehold ownership), the landlord might confirm in a written document called an agreement for lease that they will give the tenant a lease if certain conditions are met. If they are not met, the tenant will not get the leasehold ownership. Therefore, you must be sure that you can meet the conditions of an agreement for lease if the grant depends on you having a leasehold ownership.

Architects Act 1997
The consolidating Act of Parliament of the United Kingdom for the keeping and publishing of the statutory Register of Architects by the Architects Registration Board.
Asset monitoring period
It is the time during which we will monitor your project to ensure that the grant purpose is being met and the period during which we will hold you responsible for the condition and use of the land and buildings funded by the grant, starting from the date that the capital works are completed.

Assignable lease
A term used for leasehold land and buildings to show whether the land and buildings can be sold to or given to another owner. The lease will say whether the land and buildings can be given to or sold to another owner and therefore if they are assignable. Often the lease will contain a number of conditions that have to be met before the lease is assignable. These conditions may include obtaining the consent of the landlord.

Break clause
A provision in a lease that allows the landlord or the tenant or both to bring the lease to an end before the full period of years has elapsed.

Building Cost Information Services
The BCIS service from the Royal Institution of Chartered Surveyors provides a quarterly review of building prices that can be used for feasibility studies and forecasting building costs. Average building costs based on the analysis of more than 10,000 tenders are shown in tables per square foot and per square metre for all types of buildings in various locations.

Building control approval
Building control approval can be given under the Building (Scotland) Act 2003 by verifiers, approved certifiers of design and approved certifiers of construction who are appointed by the Scottish Ministers.

Buildings insurance certificate
Certificate to show that there is insurance for the building and its use.

Building professional
A professional adviser or consultant with specialist training and knowledge employed by you to act for you.

Building standards
Formerly called building regulations, these rules made under powers provided within the Building Standards (Scotland) Regulations 2004, which apply in Scotland, cover the technical aspects of building projects (for example structural, fire safety, ventilation). You or your professional advisers will need to obtain approval that your proposals meet the building standards from the local authority (the building warrant). For further information on Building Standards refer to the attached Scottish Government link: http://www.gov.scot/Topics/Built-Environment/Building/Building-standards

Building warrant
Confirmation from the local authority building standards department that project proposals and plans comply with the requirements of the Building Standards (Scotland) Regulations 2004.

Burdens and servitudes
Rights over property that is owned by someone else; for example, rights to cross land with vehicles or by laying pipes and cables.
**CDM regulations**
The Construction (Design and Management) Regulations 2007 replace the 1994 regulations and concern occupational health, safety and welfare in construction. They place duties in relation to management arrangements and practical measures on a range of construction project participants, including clients, designers and contractors. For more information see [http://www.hse.gov.uk/construction/cdm.htm](http://www.hse.gov.uk/construction/cdm.htm)

**CDM co-ordinator** The CDM co-ordinator’s role is to advise the client on health and safety issues during the design and planning phases of construction work. They should be appointed prior to the completion of the initial design work.

**Certificate of practical completion**
Formal document issued under the building contract (by the contract administrator) to show that the building work is complete, apart from any defects that will be corrected by the making good defects certificate.

**Certificate of title**
A written document (on our standard form) from a solicitor confirming that the grant recipient is the heritable or leasehold owner of the land and buildings to which the grant relates and that there are no restrictions that might stop the grant being used for the grant purpose.

**Contingency**
An amount of money (usually expressed as a percentage) built into the total project costs in case part of the project costs more than you thought.

**Contract administrator**
The person or organisation (for example, an architect, engineer or building surveyor) named within a building contract to manage the terms of the contract between you and the contractor.

**Contractor**
The organisation carrying out building work for a pre-agreed cost.

**Covenant**
A formal acknowledgement of a legal responsibility to another person.

**Deed of dedication**
The deed of dedication is a document the grant recipient (as landowner of the freehold or leasehold) must sign to confirm that the land or buildings will be used for the grant purpose and will not be disposed of or transferred without the consent of the LEADER Local Action Group and Scottish Ministers.

**Employer’s agent**
Acting on behalf of the client or employer in respect of administration of a ‘design and build’ contract incorporating issue of notices and certificates.

**Extension**
Additional space built on to an existing building.

**External works**
The works on or in the land surrounding a building; for example, drainage work, roads and paths and landscaping.
Fixtures and fittings
Items inside a building that are attached to the walls, ceilings or floors or built in as part of the building; for example, electrical sockets and light fittings.

Final certificate
A document usually issued six to 12 months after the certificate of practical completion and following the making good defects certificate. It confirms the end of the builder's liability and marks the end of the contract administrator’s authority under the contract.

Gantt chart
A pictorial representation of a project plan, showing activities (usually as shaded bars); milestones (usually as black diamonds); and dependencies (usually has lines linking the relevant ends of the activity bars).

Good and marketable title
This means that the current owner has complete freedom to sell you the property and no other party has an interest in it.

Grant purpose
What the LEADER award must be used for.

Gross internal floor area (GIFA)
The area inside a building, measured to the inside face of the outer walls. This is prepared by measuring each floor of the building (or plans) and adding them together to give the total.

Ground investigations
A detailed technical investigation of the ground on which a building will be constructed to determine the type of soil and subsoil, how suitable it is for building on and whether it contains any old structures that need preserving, contaminated areas or existing pipes, cables or other services.

Heritable ownership
A form of ownership of land or buildings where ownership cannot be taken away from the owner unless they agree. This is the most permanent way in which someone can own land or buildings. The owner owns the property forever, or until they sell it or give it away. They do not have to pay anyone for the use of the land and buildings.

Lead building professional
The member of the design team (normally the architect, project manager or building surveyor) who, appointed following competitive tendering process, takes overall responsibility for co-ordinating the design process and client contact.

Lease
A document containing the rules that show how a particular piece of leasehold land or a leasehold building is owned. The lease will contain rules about how long the tenant’s ownership is for and how much rent is paid and when it is paid (among other things).

The lease is given to the tenant by a landlord. The tenant pays the landlord rent for the use of the land and building.
Leasehold
A form of land ownership in which someone (known as the tenant) occupies the land and buildings for a limited number of years. The conditions of that occupation will be dealt with in a document known as a lease (see above). Often the lease will be for many years and the tenant will pay a sum of money to ‘acquire’ the lease from a previous tenant or from the landlord and then will pay a small rent to the landlord each year during its ownership.

Legal opinion
A written document from a solicitor in which the solicitor confirms that they believe the recipient has the legal power to sign the terms and conditions of grant and any standard security or other document that we may ask the grant recipient to sign.

Letter of undertaking
The letter of undertaking will be provided by the heritable or leasehold owner of the property confirming that the land will be used for the purpose for which the grant was made.

Listed building and listed building consent
A building which, because it has special architectural or historic, has been given ‘listed’ status by Historic Scotland on behalf of Scottish Ministers and requires special approval if it is to be altered or extended. The Act that covers this area is the Planning (Listed Buildings and Conservation Areas) (Scotland) Act 1997.

Management committee
Members of your organisation’s governing body (who may be called trustees, directors or members of the management committee).

Non-recoverable VAT
VAT charged on buying goods, services or transactions that you are not able to reclaim from the HM Revenue and Customs. The following guidance is available from HM Revenue and Customs:

- VAT Notice 701/7 VAT relief for people with disabilities
- VAT Notice 701/58 Charities
- VAT Notice 708 /6 Buildings and construction
- VAT Notice 701/6 Charity funded equipment for medical, veterinary uses etc.

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 cost of your capital project.

Planning permission or planning consent
The approval decision made on a planning application by a local authority planning committee.

Practical completion
When the construction works have been completed in accordance with the requirements of the contract.

Preliminaries
Cost of work required before the main building work can start (for example, the contractor setting up the site office).
Principal contractor
Required on projects that are notifiable under the CDM Regulations 2007, their role is to plan, manage and monitor the construction phase to ensure, so far as is reasonably practicable, that it is carried out without risks to health or safety.

Professional indemnity insurance
Insurance covering building professionals from civil law claims arising from advice or services provided.

RIAS (Royal Incorporation of Architects in Scotland)
This is the qualifying body for Scottish architects.

RIBA (Royal Institute of British Architects)
This is the professional UK body (including Scotland) for architecture and the architecture profession.

Refurbishment
To renovate, re-equip, or restore a building. You should note that repairs to buildings are not eligible for LEADER funding.

Searches
Questions asked before land or buildings are bought to check if there are any rights, restrictions, covenants or other matters affecting the property that may cause the new owner a problem.

Security of tenure
A good, strong and usually well documented right to own or use a property for a period of time.

Specification
A description of the type of materials or service to be used in the building works.

Standard security
A document that contains rules about how land and buildings may be used. An owner of land gives a standard security to someone who lends or grants them money. If the owner goes bankrupt or fails to keep to the rules about how the money must be used, the standard security should mean that some or all of the money could be recovered. The standard security will also stop the owner from selling the land without the consent of the person who lent or granted the money.

Tenant
The holder or owner of a lease who pays rent to the landlord for the use of the property.

Tender
A formal process that allows contractors to bid to supply a service or carry out work at a stated cost.

Tender review report
A written report by your lead building professional to report on the tenders received, the work undertaken to check them and the final result after checking.

Tenure
The form of right (title) under which land or a building is held or occupied (heritable or leasehold or licence)
APPENDIX C - LEADER Grant Application Step by Step Guide

Note: This section relates to the paper application form which has been superseded in July 2016 by the IT system, Local Actions in Rural Communities System (LARCs) and remains part of the LAG guidance until all historic applications have been back-captured by LAGs.

1 - Project Overview

1.1 Project Title
This should be the name by which your project will be commonly known. Titles should be concise and precise, descriptive of the project, unique and suitable to be continued as the permanent project name.

1.2 Project type
Indicate your project type (currently set at standard projects until further notice)

1.3 Standard Project Sub type
Indicate the project sub-type from the following options: Community, Enterprise and Farm Diversification. Remember to complete part 3.4 if choosing Farm Diversification

1.4 Estimated Project Start Date
Indicate here the anticipated start date of your project.

1.5 Estimated Project End Date
Indicate here the anticipated end date of your project.

1.6 Estimated Project Financial End Date
Indicate here your anticipated final claim date.

1.7 Total cost of Project
Indicate the total cost of the project and the eligible costs of the LEADER grant aid you are applying for. This should be the minimum required for the project to proceed.

1.8 Eligible Costs
Indicate here the total eligible costs involved in your project. (Your Local Action Group can advise further on this.)

1.9 Grant Requested from LEADER.
Indicate here the total amount of LEADER funding you require.

2 - Applicant details

2.1 Senior Applicant name
The Senior Applicant must be someone from your group who has overall responsibility for your project. The Senior Applicant will be responsible for all matters associated with the LEADER grant, including project implementation, acceptance of grant, submission of claims, cash flow management, monitoring and verification visits, and the retention of project documentation.

The Senior Applicant will be required to submit the application electronically on the LARCs system. The Main Contact is the person to whom all correspondence about the application will be sent. Please remember to provide all the details including position, full postal address and contact telephone.
2.2 Additional Applicant/ Agent Name
Indicate if you have an additional Applicant or Agent involved in the project. This should be the full name of the additional Applicant for the project. If you indicate that this person is the “Main Contact” then this is the person to whom all correspondence about the application will be sent. Please remember to provide all the details including position, full postal address and contact telephone. They must be contactable during office hours and can discuss the application.

We will require a PF/05 form if you are using an agent. See link in application form.

*If you are using an Agent to act on behalf of you, please note that they cannot be classed as Senior Applicant.*

3 - Organisation details

3.1 Organisation Business name
If you are applying on behalf of an organisation please complete this part with full details including the formation date, company registration number and the activities of your organisation. Please also indicate if your organisation is trading?

Business Reference Number (BRN)
Please provide the Business Reference Number for your organisation. (Before your application can be formally submitted you must register for a Business Reference Number, information on business registration is provided on the link below)

https://www.ruralpayments.org/publicsite/futures/topics/your-business/business-registration/

You can contact your local RPID office for advice

VAT
State whether or not you are registered for VAT. Quote your official VAT registration number if applicable.

3.2 Organisation Type
Please indicate your Organisation type.

3.3 Organisation Sub-Type
Please indicate your Organisational Sub Type (*Main area of activity*)

3.4 Farm Diversification Projects
Indicate whether your application relates to a Farm Diversification Project. If you select **YES** please provide the Mail Location Code (MLC) and Land Parcel Identifier (LPID) for your Farm. For additional sub codes please utilise part 11 on this form.

3.5 Delivery Staff
List the key people involved in your project and a brief description of their job.
4 - Partnership details

4.1 Partnership Agreement
Please confirm if there is a partnership involved in your project. If YES please remember to include the partnership agreement with your application documentation.

*Please note that any missing documents may delay your application.*

4.2 Who is involved in delivering this project?
If question 4.1 is ‘Yes’, you should provide all the relevant details of the partnerships involved in your project and what role they provide.

4.3 Partnership Details
Please provide as much detail on the main activities involved in the partnership; including the date the partnership was formed.

5 - Project Details

5.1 Project Location
Outline the project’s location and the settlements (or nearby settlements) you hope the projects will benefit. Include any relevant postal, locale or data zone details.

5.2 Project Summary
Project applications will be assessed against the information provided in this application form and additional information in the project plan.

(a) Project summary
Summary of the key elements of the project. Include the following:
- The rationale for the project.
- Who, where, why, when and how
- The benefits it will bring to the area.
- Evidence of demand / need
- Description of who is engaged in the project and who supports the project

(b) Fit with Local Development Strategy (LDS)
Explain how the project aligns with the LDS and delivers against it. Include the following:
- Link with themes and objectives of the LDS.
- Links with other EU, national or local strategies
- Links with other activities in the area
- Brief summary of strategic outcomes the project will contribute to (indicators / results)

(c) Project aims and objectives
Describe the aims and objectives of the project. Include the following:
- What the project is planning to achieve
- Description of who will benefit from the project
- Consideration of how the project promotes equalities and benefits target groups
- Description of how the project is innovative

(d) Project activities
Outline activities for which funding is sought.
Additional Information which will be contained in the project plan. This information will be used to assess the following:

- Added value of LEADER contribution
- Robustness of delivery plans
- Exit strategy
- Displacement

5.3 Planning permission / regulatory consents
Confirm whether the project requires planning permission or any other form of regulatory compliance or consent, such as listed building consent or a building warrant. If planning permission has already been approved, provide details on the type of planning permission (full, outline, conditional, unconditional) obtained and the date it was granted. Similar details should be provided for listed building consent, building warrants etc.

6 - Project Results, Outputs and Outcomes
Provide a brief outline of the core project activity and results, project outputs and the outcomes anticipated. Please contact your local LEADER office who will tell you how to complete this section.

7 - Project Milestones

7.1 Summary of Milestones * From Milestones/Cash Flow spread sheet
Identify the key milestones that you will need to achieve in order for the project to be successfully completed; for example, the purchase of key equipment, implementation and delivery phases.

When planning your milestones key consideration must be made to your cash flow. Without consideration of both together your project may become unworkable. Your local LEADER team will be able to help you with this process. Please remember to fill out and submit the Delivery Milestones/Cash Flow spread sheet with your application.

Please note that any missing documents may delay your application.

8 - State Aid

8.1 State Aid Rules Apply?
Please indicate whether State Aid applies. For further details please contact your Local Action group

8.2 Details of ANY Previous State Aid
Confirm whether your organisation has received any form of European or public funding in the last three years, and whether you have any current outstanding applications for funding. Please also confirm (where applicable) if the funding was awarded as under state aid or de minimis aid. Please contact your local LEADER office who will tell you how to complete this section.

- The Commission regulation for de minimis aid in the industrial sector 1407/2013 has a ceiling of €200,000 for all de minimis aid awarded to a single undertaking over a period of three fiscal years.
• The Commission regulation for de minimis aid in the agriculture sector 1408/2013 has a ceiling of €15,000 for all de minimis aid awarded to a single undertaking over a period of three fiscal years.

• The Commission regulation for de minimis aid in the fisheries sector 717/2014 has a ceiling of €30,000 for all de minimis aid awarded to a single undertaking over a period of three fiscal years.

**Note:** it is essential that you identify the sector that you are seeking to obtain the LEADER grant for to establish that the appropriate de minimis or state aid cover, if required, is in place. Any de minimis funding previously awarded to your organisation will be detailed in the funder’s award letter to you. These letters must be retained for three years from the date on the letter.

9 - Project Finances

9.1 Match funding

Confirm all sources of match funding that are being used to make up the total funding package for your project. Match funding for LEADER projects can be sourced from public bodies, voluntary bodies, other grant making bodies, local fundraising, or local businesses.

Match funding ideally should be in place with appropriate funders’ offer letters detailing the funding amount and any conditions attached to the match funding prior to the date of the Local Action Group meeting where your proposed project will be assessed. The Local Action Group may consider projects where the match funding is not yet confirmed and issue a ‘decision in principle’, pending confirmation of the match funding. The decision in principle is not an offer of grant and will have an expiry date no longer than 60 days as detailed in section 10.

Applicants must ensure that no other EU funds are used to match fund the LEADER project as demarcation rules do not allow multiple EU funding of LEADER projects.

Note that LEADER grants cannot be drawn down until all your other funding is in place.

9.2 Project income

Projects which generate net revenue, for example from entrance fees, sales etc., are acceptable for LEADER support. This should be detailed and calculated within your project plan. Please provide a summary of forecast income for the proposed project.

9.3 Cash Flow Forecast

A cash flow forecast helps you plan and manage your project expenditure. It means you can plan in advance when you will have money in your account so that you can cover bills as they come in. The cash flow forecast will help you to identify how much additional cash is required and when. All leader projects are required to complete a cash flow forecast as part of the project plan section of the application process.

A cash flow forecast should help you to identify:

• whether you have (or will have) sufficient cash funds to get your project started and, how much you will need to raise before you can start;
• any point during your project when you may have insufficient cash to pay bills;
how much extra cash you will need to raise or borrow in order to ensure that your project runs smoothly; whether there are any items of expenditure for which purchase or payment could be delayed or phased in order to ease a projected cash flow shortfall.

When planning your cash flow forecast, be aware that you will not be able to claim the final 10% of Leader funds until the project is finished.

The Cash flow forecast may be useful when applying for match funding for your Leader project.

**How to prepare a cash flow forecast**
Break down your projected cash flow by month under 3 sections:
- income
- expenditure
- cash balance

Remember to factor in VAT in your cash flow

**How to use the cash flow forecast template**
Use the spread sheet to record your cash flow. The following steps should help you to set up the forecast:

1. Enter your opening cash balance at the bottom left of the table.

2. Forecast your income over the period of the project and the months in which that income will be received. Bear in mind that there will be a delay between paying for things and claiming money back through LEADER.

3. Enter details of money you expect to spend by month including any regular and one-off expenditure, such as capital purchases or other expenditure directly related to your project.

Once you have completed the income and expenditure for the project, check to see if there are any months when you will have a negative cash balance or a very small positive balance. If this happens, go back to your project plan to see if you can make changes to the activity plan to reduce the risk of a negative cash flow. Please remember to fill out and submit the Delivery Milestones/Cash Flow Spread sheet with your application.

**10 - Signature and Checklist**
The person named as Senior applicant/Main Contact for this application should sign the document, along with the chairperson or equivalent, if this is not the same person.

**10.1 Checklist**
In support of your application you will need to submit various documents. Please indicate which documents you have included in your application. *Please note that any missing documents may delay your application.*

**10.2 Declaration**
Please read this section carefully before signing your application.

**10.3 Senior Applicant Authorised Signatory**
This section must be signed by the senior applicant.
10.4 Additional Applicant/Agent *(If different from above)*
This section must be signed if you have an additional applicant or agent.

11 - Any other Information

11.1 Other Information
Please use this section to include any additional or other information to support your application for LEADER Funding.

12 - Privacy Notice
Please read this section carefully as this explains what happens to the information you supply in your application.