

# Scottish Borders LEADER Local Action Group

Programme Report to 31st March 2019



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### Contents

1	Foreword from the LAG Chair	3
2	Background	4
3	Project Activities to 31st March 2019	4
4	Financial Report	5
5	Funding Statistics	7
6	Brexit	10
7	Monitoring & Evaluation	11



Kelso Skate Park

Front Cover images: The Freedom to Ride (Scotland's Horse Country); We are ReTweed; Falnash Pod



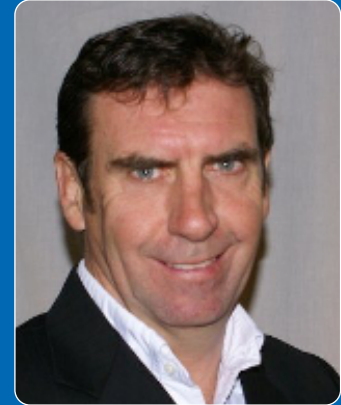
Scottish Rural  
Development  
Programme



Scottish Borders Local Action Group is part-financed by the Scottish Government and the European Community LEADER 2014-2020 Programme

# 1. Foreword from the Local Action Group Chair

Scottish Borders LEADER became fully functional in the summer of 2016. Scottish Borders committed its first funds in July 2016 and committed the last of its funding in February 2019. Throughout that time demand has been high from a large number of applicants and it has played an important part in assisting in the development of a diverse range of rural projects across the whole of Scottish Borders.



The 2014-2020 Programme has not only provided valuable funding to develop new innovative projects but has also helped to diversify the business of existing farms and small businesses to enable better sustainability for the future and create employment in the area.

It has required the dedication and hard work of not only an experienced LEADER Team but also the many applicants who have applied and been successful in obtaining funding. Administration underwent a radical transformation during this programme with the application and the subsequent claims process not having been without its challenges. However due to the hard work, patience and dedication of all we now have a wealth of projects progressing towards conclusion.

All Borders projects will complete by 31st March 2020 to enable all claims to have been made and funds fully drawn down from Scottish Government before the end of December 2020. We are extremely proud of the projects we have allocated funding to and hope that, following BREXIT, a similar source of funding will be in place to carry on the good work of LEADER type funding in years to follow.

There is a very skilled team who are exceptionally committed to driving forward this work. Not only have they carried out effective outreach but continue to provide guidance and support to applicants, as well as manage the many administrative systems of a challenging programme, making the grant process possible. This gives us the opportunity to assist in the development and sustainability of our rural businesses and community services for the future.

As the 2014-2020 LEADER Programme will formally close on 31st December 2020 and what is to follow still remains uncertain at this stage, we are proud of the many innovative and creative projects which have been supported to date and the legacy they will leave for the future.

**Gary White**  
Chair, Scottish Borders LEADER LAG

## 2. Background

With Council support the Local Action Group delivers the LEADER programme in line with the requirements of the Scottish Borders Local Development Strategy (LDS) and supports projects which drive through change in line with the LDS priorities. The Local Action Group (LAG) is a voluntary group drawn from local rural stakeholders. It manages the LEADER Programme in the Scottish Borders and it makes decisions on which projects should be supported with the grant funding. The Local Action Group is supported by the LEADER team, employed on the LAG's behalf at Scottish Borders Council.

The Scottish Borders Local Development Strategy also informs the work of the **Fisheries Local Action Group (FLAG)**, which makes recommendations on local development funding from the **European Maritime Fisheries Fund (EMFF)**. Marine Scotland, the Government agency that manages the fund in Scotland, via the Forth FLAG is supported by Scottish Borders Council, as lead partner. The EMFF Programme Coordinator is based in an office in Eyemouth.

The two Programmes have separate processes and reporting procedures. The LEADER annual report does not report on EMFF activities but some administration costs of the FLAG are paid through the LEADER fund, so there is some reference to EMFF in the budget section.

## 3. Projects Activities to 31st March 2019

The first annual report was produced in October 2017 and covered project activities up to 31st December 2016. No annual report was produced during 2017/18 due to pressure created by low staffing levels and demand on the programme which required prioritisation of development of funding applications. This report therefore covers the programme performance to the financial year end of 31st March 2019. The LEADER team has been working throughout the programme with potential applicants from the community, social enterprise and business sectors. Demand for the LEADER 2014-2020 programme funding has been extremely high and the fund effectively closed to new expressions of interest in August 2018.

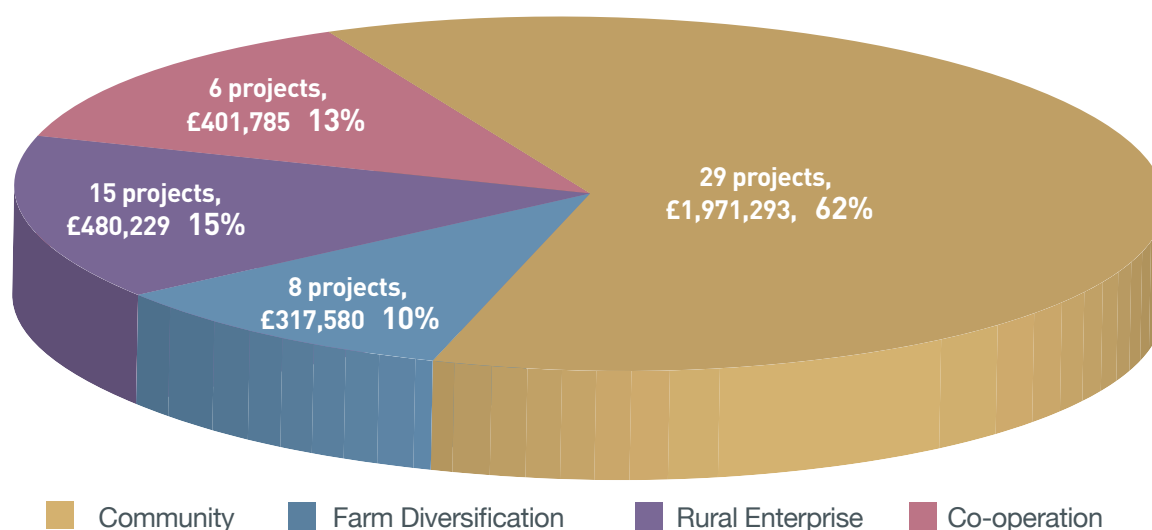
The Scottish Borders LEADER Programme project funding became fully committed in February 2019 and has awarded funding to 58 projects across the Scottish Borders (see Fig 1). 209 Expressions of Interest have been received. Five projects have been rejected and 3 projects totalling £219,999 are approved but awaiting funding from Scottish Government's central pot of funding.



*Borders Arts Fair*

**Fig 1**

## Scottish Borders Allocation of LEADER Funds Across the 4 Funding Strands to 31st March 2019



*NB: Community includes 3 Enterprise Facilitator projects totalling £194,254*

The Scottish Borders LEADER website [www.scottishbordersleader.co.uk](http://www.scottishbordersleader.co.uk) provides more information about the programme. Copies of the Local Development Strategy and Minutes of LAG meetings are also available on the site.

## 4. Financial Report

The Scottish Government allocated a budget of just over £4m to Scottish Borders LEADER at the start of the programme. In December 2018 the allocation was increased by £21,856 to compensate for EMFF expenditure incurred on behalf of Fife & Tyne-Esk areas which required to be reimbursed to the Scottish Borders allocation. The total funding allocated to Scottish Borders for the 2014-2020 Programme as at 31st March 2019 is £4,040,283 (see Table 1).

**Table 1**

	Original Budget £	Revised Budget as at 31/3/19 £	Allocated £	Balance £
192. Community Projects	1,601,135	1,753,329	1,777,039	-23,710
192. Farm Diversification	401,843	401,843	317,580	84,263
192. Rural Enterprise	401,843	401,843	480,229	-78,386
193. Enterprise Facilitator	200,000	194,254	194,254	0.00
193. Co-operation	401,843	401,843	401,785	0.58
194. LEADER Admin & Animation	734,005	752,871	610,477	142,424
194. EMFF Admin & Animation	227,758	72,581	72,581	0.00
Balance of remaining additional EMFF		60,719		60,719
<b>Totals</b>	<b>4,018,427</b>	<b>4,040,283</b>	<b>3,853,945</b>	<b>185,310</b>

At the LAG meeting of 6th February 2019, it was agreed that the funding for the 3 Enterprise Facilitators (£194,254) should be moved from Admin/Animation into Community Projects as these projects claims are drawn down and monitored in the same way as community projects. This will be updated by LDS Change Request to Scottish Government. The breakdown of project funding awarded is as detailed in Table 2.

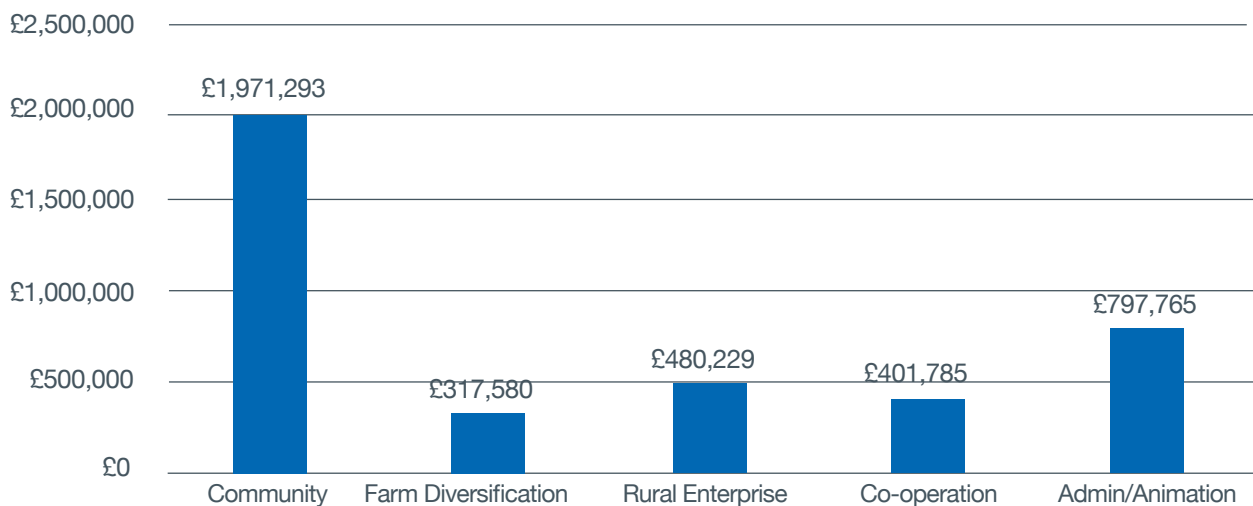
**Table 2**

	No.	Community	No.	Farm Diversification	No.	Rural Enterprise	No.	Co-operation	No.	Enterprise Facilitators
2015/16	0	0	0	0	0	0	0	0	0	0
2016/17	10	501,582	2	87,243	3	104,571	0	0	0	0
2017/18	10	760,513	2	73,480	6	162,746	1	76,235	3	194,254
2018/19	6	514,944	4	156,857	6	212,912	5	325,550	0	0
<b>TOTALS</b>	<b>26</b>	<b>1,777,039</b>	<b>8</b>	<b>317,580</b>	<b>15</b>	<b>480,229</b>	<b>6</b>	<b>401,785</b>	<b>3</b>	<b>194,254</b>

It is estimated that £797,765 will be required to cover admin/animation activities of the programme by the end December 2020. This is approximately 20% of the overall budget but less than the 25% maximum allowable for admin/animation. It should also be noted that LEADER admin/animation budget also covers the running costs of the EMFF programme. It is estimated £711,239 will be required to finance LEADER admin/animation and £86,526 for EMFF admin/animation until end December 2020. (See Fig 2)

**Fig 2**

### Estimated Programme Spend as at 31st March 2019



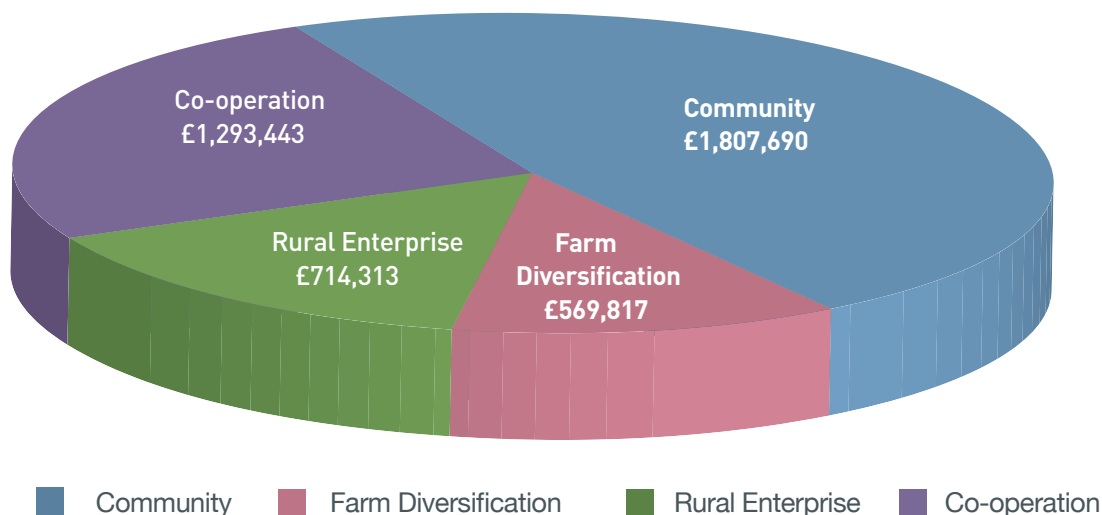
## 5. Funding Statistics

The LEADER 2014-2020 programme supports both community and rural business projects. The majority of the funding is to support core community projects. At the beginning of the programme a minimum 10% required to be committed for each of the Farm Diversification, Rural Enterprise and Co-operation strands. Following a directive by Central Government in July 2018, the minimum targets were revised to minimum 20% for Farm Diversification/Rural Enterprise and a minimum 5% for Co-operation. Scottish Borders has met the minimum 20% target for Farm Diversification/Rural Enterprise and has achieved well over the 5% minimum for Co-operation.

The 2014-2020 LEADER Programme has provided leverage to attract match funding at an overall value of £4,385,263 across Scottish Borders. The chart below shows how much match-funding has been brought in across each of the 4 strands during the reporting period (see Fig 3).

**Fig 3**

### Total Value of Match-Funding for each of the 4 Funding Strands to 31st march 2019

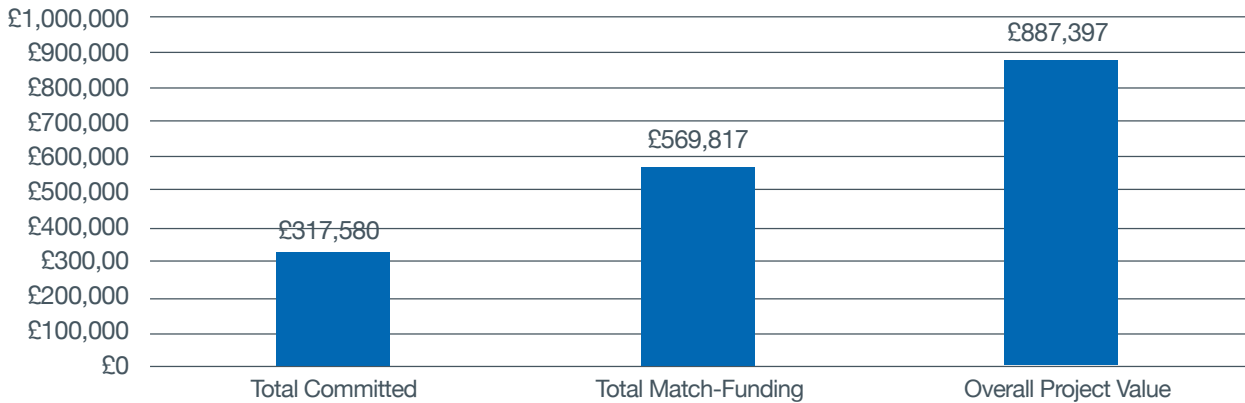


### Farm Diversification

LEADER has supported 8 farm diversification projects to a total of £317,580 ranging from bespoke holiday accommodation, development of sheep dog training centre, new equine clinic, holiday retreat offering alternative therapy and expansion of an ice cream making business. These projects will assist in the sustainability of farming businesses in rural areas encouraging diversification into other business areas.

**Fig 4**

## Farm Diversification

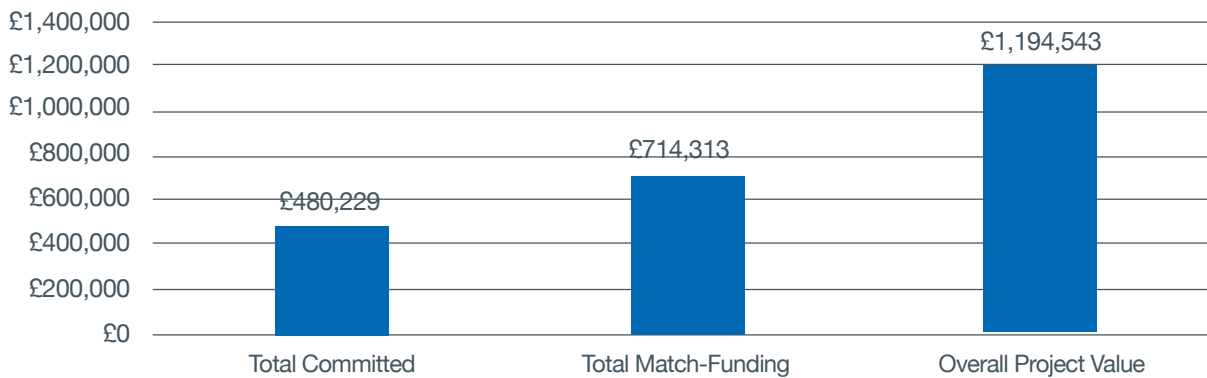


## Rural Enterprise

LEADER has also supported the development of new small rural businesses and expansion of existing small businesses. Fifteen projects totalling £480,229 range from the construction of an equestrian theatre in the Borders, a dog day care centre, a hydrotherapy centre for dogs, gin distilling business and the scoping out of an electric car tourism initiative. These projects have helped to develop small rural businesses and encourage more employment opportunities as they continue to grow (see Fig.5).

**Fig 5**

## Rural Enterprise

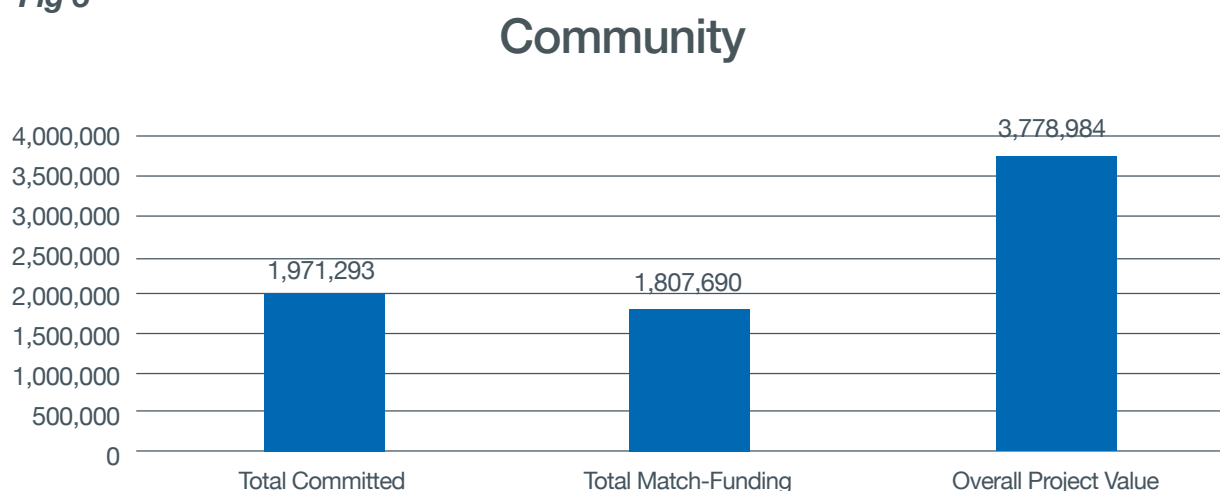




## Community

Scottish Borders LEADER has contributed £1,971,293 towards the development of 29 community projects run by voluntary organisations and social enterprises. Community projects have included development of Volunteer Hall, Duns to assist in turning this space into a multi-functional facility; creation of the Whistlestop Café at Tweedbank; Tweed Valley Mountain Biking Development, development of horse riding routes across Scottish Borders. £194,254 has financed 3 Enterprise Facilitators based at Scottish Borders Social Enterprise Chamber, The Bridge and Scottish Borders Chamber of Commerce to develop business, community and social enterprise across the Borders leading to development of sustainable LEADER projects (see Fig. 6).

**Fig 6**



*NB: Community includes 3 Enterprise Facilitator projects totalling £194,254*

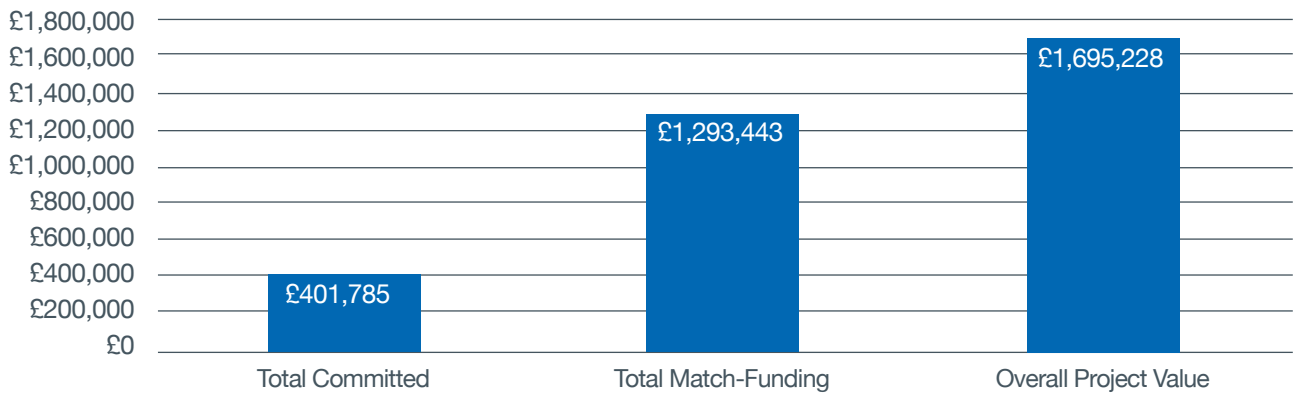
## Co-operation

Scottish Borders LEADER supported 6 co-operation projects totalling £401,785 which are partnered with LAGs and organisations across Scotland during the reporting period (see Fig 7). These were:-

South of Scotland Golden Eagles Project	Dumfries & Galloway
Crowdfunding Coaches	Forth Valley & Lomond; Kelvin Valley & Falkirk; Rural Perth & Kinross; West Lothian; Tyne-Esk; Lanarkshire; Greater Inverclyde & Renfrewshire; Fife
Food Assemblies	Forth Valley & Lomond; Rural Perth and Kinross; Fife; Lanarkshire
MBTAG	Tyne-Esk
Access Pathways	Tyne-Esk
Whiteadder: Heart of the Lammermuirs	Tyne-Esk

Fig 7

## Co-operation



## 6. Brexit

The outlook for an equivalent LEADER type fund following Brexit is still uncertain at present. It is anticipated that there will be a new UK Prosperity Fund to replace EU funding but intimation from Central Government is that consultation will not take place until Brexit has occurred. The present 2014-2020 LEADER programme is however guaranteed as the UK and Scottish Governments entered contracts before the point of Brexit and have confirmed funding is in place until the end of the current programme.



Innerleithen Cubs - Eagle Champions (Traquair House April 2019)

## 7. Monitoring and Evaluation

Monitoring and evaluation will now become a main focus as well as preparation for the closure of the 2014-2020 programme. The LARCS system has been gathering a certain amount of target information which will feed in to the monitoring information but the evaluation will be measured around the required outcomes set down in our Local Development Strategy (LDS). Scottish Government has intimated that an overall evaluation of the 2014-2020 programme will be undertaken based on common targets throughout all areas but this is still to be confirmed.

All Scottish Borders projects have been given a deadline for completion of 31st March 2020. This is to ensure enough time is allocated to address payment of projects claims and drawdown of funds from Scottish Government well before the end of the programme. It is envisaged that applicants will require 2 months from the end of March to submit all claims documentation, leaving approximately 6 months to process claims and drawdown all funding from Scottish Government.



*Nethill Sheepdog Tourism Cabin, Dog Kennel-Garage*

### LEADER team

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